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INDEX AND SUMMARY OF H. R. 9567

		LEGISLATIVE HISTORY	
		Public Law 89-329	
		H. R. 9567	
Jan.	19, 1965	Rep. Green, Oregon, introduced H. R. 9567 which was referred to Senate Labor and Public Welfare Committee. Print of bill as introduced.	
June	30, 1965	Rep. Green, Oregon, introduced H. R. 9567 which was referred to the House Education and Labor Committee. Print of bill as introduced.	
July	9, 1965	House committee voted to report H. R. 9567.	
July	14, 1965	House committee reported H. R. 9567 with amendments. H. Report 621. Print of bill and report.	
Aug.	17, 1965	House Rules Committee reported a resolution for the consideration of H. R. 9567.	
Aug.	26, 1965	House passed H. R. 9567 with amendments.	
Aug.	30, 1965	H. R. 9567 was referred to the Senate Labor and Public Welfare Committee. Print of bill	

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		Senate subcommittee approved H. R. 9567.	
Aug.	31, 1965	Senate committee voted to report H. R. 9567.	
Sept.	1, 1965	Senate committee reported H. R. 9567 with amendment. S. Report 673. Print of bill and report.	
		Senate began debate on H. R. 9567.	
Sept.	2, 1965	Senate passed H. R. 9567 with amendments. Senate conferees were appointed.	
		Print of H. R. 9567 as passed by Senate.	
Sept.	15, 1965	House conferees were appointed on H. R. 9567.	
Oct.	19, 1965	House received conference report. H. Report No. 1178. Print of report.	
Oct.	20, 1965	Both Houses agreed to conference report.	

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Hearings: H. Committee on H. R. 9567
 S. Committee on S. Rep. 673, Parts 1-3

INDEX AND SUMMARY OF H. R. 9567

Jan.	19, 1965	Sen. Morse and others introduced S. 600 which was referred to Senate Labor and Public Welfare Committee. Print of bill as introduced.
June	30, 1965	Rep. Green, Oreg., introduced H. R. 9567 which was referred to the House Education and Labor Committee. Print of bill as introduced.
July	8, 1965	House committee voted to report H. R. 9567.
July	14, 1965	House committee reported H. R. 9567 with amendments. H. Report 621. Print of bill and report.
Aug.	17, 1965	House Rules Committee reported a resolution for the consideration of H. R. 9567.
Aug.	26, 1965	House passed H. R. 9567 with amendments.
Aug.	30, 1965	H. R. 9567 was referred to the Senate Labor and Public Welfare Committee. Print of bill as referred.
		Senate subcommittee approved S. 600.
Aug.	31, 1965	Senate committee voted to report H. R. 9567.
Sept.	1, 1965	Senate committee reported H. R. 9567 with amendment. S. Report 673. Print of bill and report.
		Senate began debate on H. R. 9567.
Sept.	2, 1965	Senate passed H. R. 9567 with amendments. Senate conferees were appointed.
		Print of H. R. 9567 as passed by Senate.
Sept.	15, 1965	House conferees were appointed on H. R. 9567.
Oct.	19, 1965	House received conference report. H. Report No. 1178. Print of report.
Oct.	20, 1965	Both Houses agreed to conference report.
Nov.	8, 1965	Approved: Public Law 89-329.

Hearings: H. Committee on H. R. 3220
S. Committee on S. 600, Parts 1-3

DIGEST OF PUBLIC LAW 89-329

HIGHER EDUCATION ACT OF 1965.

Provides for a program of assistance by the Department of Health, Education, and Welfare to colleges and universities for aid in the solution of community problems, for college library development, for student grants and loans, for teacher training, etc. Provides that the President shall appoint a National Advisory Council on Extension and Continuing Education, including a representative from the Department of Agriculture, to advise the Commissioner of Education with respect to the administration of this program, and to review and report to the President on the administration and effectiveness of all federally supported extension and continuing education programs.

To strengthen the educational resources of our colleges and universities and to provide financial assistance for students in postsecondary and higher education.

1 Be it enacted by the Senate and House of Representatives
2 of the United States of America in Congress assembled,
3 That this Act may be cited as the "Higher Education Act
4 of 1965";

89TH CONGRESS
1ST SESSION

S. 600

IN THE SENATE OF THE UNITED STATES

JANUARY 19, 1965

Mr. MORSE (for himself, Mr. BARTLETT, Mr. BREWSTER, Mr. CLARK, Mr. DOUGLAS, Mr. FONG, Mr. GRUENING, Mr. HARTKE, Mr. KENNEDY of Massachusetts, Mr. KENNEDY of New York, Mr. LONG of Missouri, Mr. MANSFIELD, Mr. MCCARTHY, Mr. MCGOVERN, Mr. MONDALE, Mr. MOSS, Mr. MUSKIE, Mrs. NEUBERGER, Mr. PROXMIRE, Mr. RANDOLPH, Mr. RIBICOFF, Mr. WILLIAMS of New Jersey, Mr. YARBOROUGH, and Mr. YOUNG of Ohio) introduced the following bill; which was read twice and referred to the Committee on Labor and Public Welfare

A BILL

To strengthen the educational resources of our colleges and universities and to provide financial assistance for students in postsecondary and higher education.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Higher Education Act
4 of 1965".

1 TITLE I—UNIVERSITY EXTENSION AND
2 CONTINUING EDUCATION

3 APPROPRIATIONS AUTHORIZED

4 SEC. 101. For the purpose of assisting the people of
5 the United States in the solution of community problems
6 such as housing, poverty, government, recreation, employ-
7 ment, youth opportunities, transportation, health, and land
8 use by enabling the Commissioner to make grants and con-
9 tracts under this title to strengthen continuing education and
10 extension methods and teaching, and the public service
11 resources, of colleges and universities, there are authorized
12 to be appropriated \$25,000,000 for the fiscal year ending
13 June 30, 1966, and such sums for each of the four succeed-
14 ing fiscal years as may be necessary for such purpose.

15 ALLOTMENTS TO STATES

16 SEC. 102. (a) (1) From 80 per centum of the sums
17 appropriated pursuant to section 101 for each fiscal year,
18 the Commissioner shall allot \$25,000 each to Guam, Ameri-
19 can Samoa, and the Virgin Islands and \$100,000 to each
20 of the other States, and he shall allot to each State an amount
21 which bears the same ratio to the remainder of such 80 per
22 centum of such sums as the population of the State bears to
23 the population of all States.

24 (2) Twenty per centum of the sums appropriated pur-
25 suant to section 101 shall be reserved by the Commissioner

1 for grants and contracts for experimental projects and for
2 supplemental grants pursuant to section 106.

3 (b) The amount of any State's allotment under subsec-
4 tion (a) for any fiscal year which the Commissioner deter-
5 mines will not be required for such fiscal year for carrying
6 out the State plan (if any) approved under this title shall
7 be available for reallocation from time to time, on such dates
8 during such year as the Commissioner may fix, to other States
9 in proportion to the original allotments to such States under
10 such subsection for such year, but with such proportionate
11 amount for any of such States being reduced to the extent it
12 exceeds the sum the Commissioner estimates such State needs
13 and will be able to use for such year for carrying out the
14 State plan; and the total of such reductions shall be similarly
15 reallocated among the States whose proportionate amounts
16 were not so reduced. Any amount reallocated to a State
17 under this subsection during a year from funds appropriated
18 pursuant to section 101 shall be deemed part of its allotment
19 under subsection (a) for such year.

20 (c) In accordance with regulations of the Commis-
21 sioner, any State may file with him a request that a specified
22 portion of its allotment under this title be added to the allot-
23 ment of another State under this title for the purpose of meet-
24 ing a portion of the Federal share of the cost of providing
25 extension or continuing education services or activities under

1 this title. If it is found by the Commissioner that the services
2 or activities with respect to which the request is made would
3 meet needs of the State making the request and that use
4 of the specified portion of such State's allotment, as requested
5 by it, would assist in carrying out the purposes of this title,
6 such portion of such State's allotment shall be added to the
7 allotment of the other State under this title to be used for the
8 purpose referred to above.

9 (d) The population of a State and of all the States shall
10 be determined by the Commissioner on the basis of the most
11 recent satisfactory data available from the Department of
12 Commerce.

13 USES OF ALLOTTED FUNDS

14 SEC. 103. A State's allotment under section 102 may
15 be used, in accordance with its State plan approved under
16 section 104 (b), to provide new, expanded, or improved
17 extension and continuing education activities and services
18 designed to assist, particularly through new and advanced
19 approaches, in the solution of community problems through
20 activities and services such as—

21 (1) professional retraining and refresher programs
22 for persons in professions such as architecture, engi-
23 neering, law, medicine, pharmacy, science, social work,
24 and teaching;

(2) training and consultative services to local, State, and Federal governments;

(3) training in leadership and in program planning for nonprofit voluntary associations and civic groups;

(4) special educational programs for adults with a view to increasing their opportunities for more productive employment and making them better able to meet their adult responsibilities;

(5) training and educational services relating to aging;

(6) training services related to labor education, management education, and employment opportunities;

(7) special educational programs for culturally disadvantaged adults;

(8) educational programs for women preparing to enter or reenter the labor market; and

(9) other training, demonstration, and public service programs.

STATE PLANS

SEC. 104. (a) Any State desiring to receive its allotment of Federal funds under this title shall designate or create a State agency or institution which has special qualifications with respect to solving community problems and which is broadly representative of institutions of higher edu-

1 cation in the State which are competent to offer extension or
2 continuing education activities and services, and shall submit
3 to the Commissioner through the agency or institution so
4 designated a State plan. If a State desires to designate for
5 the purposes of this section an existing State agency or insti-
6 tution which does not meet these requirements, it may do so
7 if the agency or institution takes such action as may be nec-
8 essary to acquire such qualifications and assure participation
9 of such institutions, or if it designates or creates a State ad-
10 visory council which meets the requirements not met by the
11 designated agency or institution to consult with the desig-
12 nated agency or institution in the preparation of the State
13 plan. A State plan submitted under this title shall be in
14 such detail as the Commissioner deems necessary and shall—

15 (1) provide that the agency or institution so desig-
16 nated or created shall be the sole agency for administra-
17 tion of the plan or for supervision of the administration
18 of the plan; and provide that such agency or institution
19 shall consult with any State advisory council required
20 to be created by this section with respect to policy mat-
21 ters arising in the administration of such plan;

22 (2) set forth a comprehensive, coordinated, and
23 statewide program of extension and continuing educa-
24 tion activities and services under which funds paid to
25 the State (including funds paid to an institution pur-

1 suant to section 105 (c)) under its allotments under
2 section 102 will be expended solely for activities and
3 services which meet the requirements of section 103
4 and which have been approved by the agency or insti-
5 tution administering the plan;

6 (3) set forth the policies and procedures to be
7 followed in allocating Federal funds to institutions of
8 higher education in the State, which policies and proce-
9 dures shall insure that due consideration will be given—

10 (A) to the relative capacity and willingness of
11 particular institutions of higher education (whether
12 public or private) to provide effective extension or
13 continuing education activities and services designed
14 to assist communities in solving community prob-
15 lems;

16 (B) to the availability of and need for exten-
17 sion and continuing education activities and services
18 among the population within the State; and

19 (C) to the results of periodic evaluations of the
20 activities and services carried out under this title in
21 the light of information regarding current and antici-
22 pated community problems in the State;

23 (4) set forth policies and procedures designed to
24 assure that Federal funds made available under this title
25 will be so used as not to supplant State or local funds, or

1 funds of institutions of higher education, but supplement
2 them, and, to the extent practicable, increase the amounts
3 of such funds that would in the absence of such Federal
4 funds be made available for activities and services which
5 meet the requirements of section 103;

6 (5) set forth such fiscal control and fund accounting
7 procedures as may be necessary to assure proper dis-
8 bursement of and accounting for Federal funds paid to
9 the State (including such funds paid by the State or by
10 the Commissioner to institutions of higher education)
11 under this title; and

12 (6) provide for making such reports in such form
13 and containing such information as the Commissioner
14 may reasonably require to carry out his functions under
15 this title, and for keeping such records and for affording
16 such access thereto as the Commissioner may find neces-
17 sary to assure the correctness and verification of such
18 reports.

19 (b) The Commissioner shall approve any State plan
20 and any modification thereof which complies with the
21 provisions of subsection (a).

22 PAYMENTS

23 SEC. 105. (a) Except as provided in subsection (b),
24 payment under this title shall be made to those State agencies
25 and institutions which administer plans approved under

1 section 104 (b). Payments under this title from a State's
2 allotment with respect to the cost of developing and carrying
3 out its State plan shall equal 90 per centum of such costs
4 for the fiscal year ending June 30, 1966, 75 per centum
5 of such costs for the fiscal year ending June 30, 1967, and
6 50 per centum of such costs for each of the three succeeding
7 fiscal years, except that no payments for any fiscal year
8 shall be made to any State with respect to expenditures for
9 developing and administering the State plan which exceed
10 5 per centum of the costs for that year for which payment
11 under this subsection may be made to that State.

12 (b) No payments shall be made to any State from its
13 allotments for any fiscal year unless and until the Commis-
14 sioner finds that there will be available for expenditure for
15 university extension and continuing education programs from
16 non-Federal sources during such fiscal year not less than
17 the total amount actually expended for university extension
18 and continuing education programs from such sources dur-
19 ing the fiscal year ending June 30, 1965, plus an amount
20 equal to not less than the non-Federal share of the costs
21 with respect to which payment pursuant to subsection (a)
22 is sought. In determining the cost for any fiscal year of
23 carrying out a university extension and continuing educa-
24 tion program set forth in a State plan approved under sec-

1 tion 104 (b), and the amounts available for expenditure,
2 or expended, therefor from State or other non-Federal
3 sources, there shall be excluded any amounts the Commis-
4 sioner determines have been or will be realized during that
5 year by participating institutions from fees or other charges
6 to persons benefiting from that program.

7 (c) Payments to a State under this title may be made
8 in installments and in advance or by way of reimbursement
9 with necessary adjustments on account of overpayments or
10 underpayments, and they may be paid directly to the State
11 or to one or more participating institutions of higher educa-
12 tion designated for this purpose by the State, or to both.

13 EXPERIMENTAL APPROACHES AND SUPPLEMENTAL GRANTS

14 SEC. 106. Twenty per centum of the sums appropriated
15 pursuant to section 101 for each fiscal year shall be used
16 by the Commissioner to make grants to or contracts with in-
17 stitutions of higher education to pay part of the cost of ex-
18 perimental approaches to extension and continuing education
19 related to the solution of community problems, or, as may be
20 determined by the Commissioner, for such augmentation of
21 grants awarded under this title from allotted funds as may be
22 desirable to advance the purposes of this title.

23 ADMINISTRATION OF STATE PLANS

24 SEC. 107. (a) The Commissioner shall not finally dis-
25 approve any State plan submitted under this title, or any

1 modification thereof, without first affording the State agency
2 or institution submitting the plan reasonable notice and oppor-
3 tunity for a hearing.

4 (b) Whenever the Commissioner, after reasonable notice
5 and opportunity for hearing to the State agency or institution
6 administering a State plan approved under section 104 (b) ,
7 finds that—

8 (1) the State plan has been so changed that it no
9 longer complies with the provisions of section 104 (a) , or

10 (2) in the administration of the plan there is a fail-
11 ure to comply substantially with any such provision,
12 the Commissioner shall notify the State agency or institution
13 that the State will not be regarded as eligible to participate
14 in the program under this title until he is satisfied that there
15 is no longer any such failure to comply.

16 JUDICIAL REVIEW

17 SEC. 108. (a) If any State is dissatisfied with the Com-
18 missioner's final action with respect to the approval of its
19 State plan submitted under section 104 (a) or with his final
20 action under section 107 (b) , such State may, within sixty
21 days after notice of such action, file with the United States
22 court of appeals for the circuit in which the State is located
23 a petition for review of that action. A copy of the petition
24 shall be forthwith transmitted by the clerk of the court to
25 the Commissioner. The Commissioner thereupon shall file

1 in the court the record of the proceedings on which he based
2 his action, as provided in section 2112 of title 28, United
3 States Code.

4 (b) The findings of fact by the Commissioner, if sup-
5 ported by substantial evidence, shall be conclusive; but the
6 court, for good cause shown, may remand the case to the
7 Commissioner to take further evidence, and the Commis-
8 sioner may thereupon make new or modified findings of fact
9 and may modify his previous action, and shall certify to
10 the court the record of the further proceedings. Such new
11 or modified findings of fact shall likewise be conclusive
12 if supported by substantial evidence.

13 (c) The court shall have jurisdiction to affirm the action
14 of the Commissioner or to set it aside, in whole or in part.
15 The judgment of the court shall be subject to review by the
16 Supreme Court of the United States upon certiorari or certifi-
17 cation as provided in section 1254 of title 28, United States
18 Code.

19 NATIONAL ADVISORY COMMITTEE ON EXTENSION AND
20 CONTINUING EDUCATION

21 SEC. 109. (a) The Commissioner shall establish in the
22 Office of Education a National Advisory Committee on Exten-
23 sion and Continuing Education (hereinafter referred to as the
24 "Advisory Committee"), consisting of the Commissioner,
25 who shall be Chairman, one representative each of the De-

1 partments of Agriculture, Commerce, Defense, Labor, Inte-
2 rior, and State, of the Housing and Home Finance Agency
3 and the Office of Economic Opportunity, and of such other
4 Federal agencies having extension education responsibilities
5 as the Commissioner may designate, and six members ap-
6 pointed, for staggered terms and without regard to the civil
7 service laws, by the Commissioner with the approval of
8 the Secretary of Health, Education, and Welfare. Such six
9 members shall, to the extent possible, include persons knowl-
10 edgeable in the field of extension and continuing education,
11 State and local officials and other persons having special
12 knowledge, experience, or qualification with respect to com-
13 munity problems, and persons representative of the general
14 public. The Advisory Committee shall meet at the call
15 of the Chairman but not less often than twice a year.

16 (b) The Advisory Committee shall advise the Commis-
17 sioner in the preparation of general regulations and with
18 respect to policy matters arising in the administration of
19 this title, including policies and procedures governing the
20 approval of State plans under section 104(b) and the ap-
21 proval of projects and activities under section 106.

22 (c) Members of the Advisory Committee who are not
23 regular full-time employees of the United States shall, while
24 serving on the business of the Advisory Committee, be en-
25 titled to receive compensation at rates fixed by the Secretary.

1 but not exceeding \$100 per day, including travel time; and,
2 while so serving away from their homes or regular places
3 of business, members may be allowed travel expenses, in-
4 cluding per diem in lieu of subsistence, as authorized by
5 section 5 of the Administrative Expenses Act of 1946 (5
6 U.S.C. 73b-2) for persons in the Government service em-
7 ployed intermittently.

8 REVIEW OF EXTENSION AND CONTINUING EDUCATION
9 PROGRAMS AND OF THE PROVISIONS OF THIS TITLE

10 SEC. 110. (a) The Secretary shall, during 1968, appoint
11 a Review Council on Extension and Continuing Education
12 (hereinafter referred to as the "Council") for the purpose
13 of reviewing the administration of the extension and con-
14 tinuing education programs for which funds are appropriated
15 pursuant to this title and making recommendations for the
16 improvement of that administration, and for purpose of
17 reviewing the effectiveness of and making recommendations
18 with respect to these extension and continuing education
19 programs and with respect to this title.

20 (b) The Council shall be appointed by the Secretary
21 without regard to the civil service laws and shall consist
22 of twelve persons who shall, to the extent possible, include
23 persons knowledgeable in the field of extension and con-
24 tinuing education, State and local officials having special
25 knowledge, experience, or qualification with respect to com-

1 munity problems, and persons representative of the general
2 public.

3 (c) The Secretary is authorized to engage such technical
4 assistance as may be required to carry out the functions of
5 the Council, and the Secretary shall, in addition, make
6 available to the Council such secretarial, clerical, and other
7 assistance and such pertinent data prepared by the Depart-
8 ment of Health, Education, and Welfare as it may require
9 to carry out its functions.

10 (d) The Council shall make a report of its findings and
11 recommendations (including recommendations for changes
12 in the provisions of this title) to the Secretary, such report to
13 be submitted not later than March 31, 1969, after which
14 date such Council shall cease to exist. The Secretary shall
15 transmit such report to the President for transmittal to the
16 Congress together with his comments and recommendations.

17 (e) Members of the Council who are not regular full-
18 time employees of the United States shall, while serving on
19 business of the Council, be entitled to receive compensation
20 at rates fixed by the Secretary, but not exceeding \$100 per
21 day, including travel time; and while so serving away from
22 their homes or regular places of business, members may be
23 allowed travel expenses, including per diem in lieu of sub-
24 sistence, as authorized by section 5 of the Administrative

1 Expenses Act of 1946 (5 U.S.C. 73b-2) for persons in
2 Government service employed intermittently.

3 RELATIONSHIP TO OTHER EXTENSION PROGRAMS

4 SEC. 111. Nothing in this title shall modify authorities
5 under the Act of February 23, 1917 (Smith-Hughes Voca-
6 tional Education Act), as amended (20 U.S.C. 11-15, 16-
7 28); the Vocational Education Act of 1946, as amended
8 (20 U.S.C. 15i-15m, 15o-15q, 15aa-15jj, and 15aaa-
9 15ggg); the Vocational Education Act of 1963 (20 U.S.C.
10 35-35n); title VIII of the Housing Act of 1964 (Public
11 Law 88-560); of the Act of May 8, 1914 (Smith-Lever
12 Act), as amended (7 U.S.C. 341-348).

13 TITLE II—COLLEGE LIBRARY ASSISTANCE AND
14 LIBRARY TRAINING AND RESEARCH

15 PART A—COLLEGE LIBRARY RESOURCES

16 APPROPRIATIONS AUTHORIZED

17 SEC. 201. There are authorized to be appropriated
18 \$50,000,000 for the fiscal year ending June 30, 1966, and
19 such sums for each of the four succeeding fiscal years as may
20 be necessary, to enable the Commissioner to make grants
21 under this part to institutions of higher education to assist
22 and encourage such institutions in the acquisition for library
23 purposes of books, periodicals, documents, magnetic tapes,
24 phonograph records, audiovisual materials, and other related
25 library materials (including necessary binding).

BASIC GRANTS

SEC. 202. From 75 per centum of the sums appropriated pursuant to section 201 for any fiscal year, the Commissioner is authorized to make basic grants for the purposes set forth in that section to institutions of higher education and combinations of such institutions. The amount of a basic grant shall not exceed \$5,000 for each such institution, and a basic grant under this subsection may be made only if the application therefor is approved by the Commissioner upon his determination that the application (whether by an individual institution or a combination of institutions) —

(a) provides satisfactory assurance that the applicant will expend during the fiscal year for which the grant is requested (from funds other than funds received under this part) for all library purposes (exclusive of construction) (1) an amount not less than the average annual amount it expended for such purposes during the two-year period ending June 30, 1965, and (2) an amount (from such other sources) equal to not less than the amount of such grant;

(b) provides satisfactory assurance that the applicant will expend during the fiscal year for which the grant is requested (from funds other than funds received under this title) for books, periodicals, documents, mag-

1 netic tapes, phonograph records, audiovisual materials,
2 and other related materials (including necessary bind-
3 ing) for library purposes an amount not less than the
4 average annual amount it expended for such materials
5 during the two-year period ending June 30, 1965;

6 (c) provides for such fiscal control and fund ac-
7 counting procedures as may be necessary to assure proper
8 disbursement of and accounting for Federal funds paid
9 to the applicant under this section; and

10 (d) provides for making such reports, in such form
11 and containing such information, as the Commissioner
12 may require to carry out his functions under this section,
13 and for keeping such records and for affording such ac-
14 cess thereto as the Commissioner may find necessary to
15 assure the correctness and verification of such reports.

16 SUPPLEMENTAL GRANTS

17 SEC. 203. (a) From the remainder of such 75 per
18 centum of the sums appropriated pursuant to section 201 for
19 any fiscal year, the Commissioner is authorized to make
20 supplemental grants for the purposes set forth in that sec-
21 tion to institutions of higher education and combinations of
22 such institutions. The amount of a supplemental grant shall
23 not exceed \$10 for each full-time student (including the
24 full-time equivalent of the number of part-time students),
25 as determined by the Commissioner in accordance with regu-

1 lations, enrolled in each such institution. A supplemental
2 grant may be made only upon application therefor, in such
3 form and containing such information as the Commissioner
4 may require, which application shall—

5 (1) meet the application requirements set forth in
6 section 202 except for the matching requirement set
7 forth in paragraph (a) (2) of that section;

8 (2) describe the size and quality of the library re-
9 sources of the applicant in relation to its present enroll-
10 ment and any expected increase in its enrollment;

11 (3) set forth any special circumstances which are
12 impeding or will impede the proper development of its
13 library resources; and

14 (4) provide a general description of how a supple-
15 mental grant would be used to improve the size or quality
16 of its library resources.

17 (b) The Commissioner shall approve applications for
18 supplemental grants on the basis of basic criteria prescribed
19 in regulations and developed after consultation with the
20 Council created under section 205. Such basic criteria shall
21 be such as will best tend to achieve the objectives of this
22 part and they may take into consideration factors such as the
23 size and age of the library collection, student enrollment, and
24 endowment and other financial resources.

1 SPECIAL PURPOSE GRANTS

2 SEC. 204. Twenty-five per centum of the sums appro-
3 priated pursuant to section 201 for each fiscal year, plus
4 any part of the remainder of such sums as the Commissioner
5 determines will not be needed for making grants under sec-
6 tions 202 and 203, shall be used by the Commissioner to
7 make special grants (a) to institutions of higher education
8 which demonstrate a special need for additional library re-
9 sources and which demonstrate that such additional library
10 resources will make a substantial contribution to the quality
11 of their educational resources, (b) to institutions of higher
12 education to meet special national or regional needs in the
13 library and information sciences, including those in the bio-
14 medical, physical, and social science fields, and (c) to com-
15 binations of institutions of higher education which need spe-
16 cial assistance in establishing joint-use facilities. Grants
17 under this section may be used only for books, periodicals,
18 documents, magnetic tapes, phonograph records, audio-
19 visual materials, and other related library materials (includ-
20 ing necessary binding).

21 ADVISORY COUNCIL ON COLLEGE LIBRARY RESOURCES

22 SEC. 205. (a) The Commissioner shall establish in the
23 Office of Education an Advisory Council on College Library
24 Resources consisting of the Commissioner, who shall be
25 Chairman, and eight members appointed, without regard to

1 the civil service laws, by the Commissioner with the ap-
2 proval of the Secretary.

3 (b) The Advisory Council shall advise the Commis-
4 sioner with respect to establishing criteria for the making
5 of supplemental grants under section 203 and the making
6 of special purpose grants under section 204. The Commis-
7 sioner may appoint such special advisory and technical ex-
8 perts and consultants as may be useful in carrying out the
9 functions of the Advisory Council.

10 (c) Members of the Advisory Council, while serving
11 on business of the Advisory Council, shall receive compen-
12 sation at a rate to be fixed by the Secretary, but not exceed-
13 ing \$100 per day, including travel time; and, while so
14 serving away from their homes or regular places of business,
15 they may be allowed travel expenses, including per diem
16 in lieu of subsistence, as authorized by section 5 of the Ad-
17 ministrative Expenses Act of 1946 (5 U.S.C. 73b-2) for
18 persons in the Government service employed intermittently.

19 ACCREDITATION REQUIREMENT FOR PURPOSES

20 OF THIS PART

21 SEC. 206. For the purposes of this part, an educational
22 institution shall be deemed to have been accredited by a
23 nationally recognized accrediting agency or association if
24 the Commissioner determines that there is satisfactory assur-
25 ance that upon acquisition of the library resources with

1 respect to which assistance under this part is sought, or upon
 2 acquisition of those resources and other library resources
 3 planned to be acquired within a reasonable time, the insti-
 4 tution will meet the accreditation standards of such agency
 5 or association.

6 LIMITATION

7 SEC. 207. No grant may be made under this part for
 8 books, periodicals, documents, or other related materials to
 9 be used for sectarian instruction or religious worship, or
 10 primarily in connection with any part of the program of a
 11 school or department of divinity. For purposes of this sec-
 12 tion, the term "school or department of divinity" means an
 13 institution or a department or branch of an institution whose
 14 program is specifically for the education of students to pre-
 15 pare them to become ministers of religion or to enter upon
 16 some other religious vocation, or to prepare them to teach
 17 theological subjects.

18 PART B—LIBRARY TRAINING AND RESEARCH

19 APPROPRIATIONS AUTHORIZED

20 SEC. 221. There are authorized to be appropriated
 21 \$15,000,000 for the fiscal year ending June 30, 1966, and
 22 such sums as may be necessary for each of the four succeed-
 23 ing fiscal years, for the purpose of carrying out this part.

24 DEFINITION OF "LIBRARIANSHIP"

25 SEC. 222. For the purposes of this part the term

1 “librarianship” means the principles and practices of the
2 library and information sciences, including the acquisition,
3 organization, storage, retrieval, and dissemination of infor-
4 mation, and reference and research use of library and other
5 information resources.

6 GRANTS FOR TRAINING IN LIBRARIANSHIP

7 SEC. 223. (a) The Commissioner is authorized to make
8 grants to institutions of higher education to assist them in
9 training persons in librarianship, including the training of
10 specialists in the communication of information in the bio-
11 medical, physical, and social sciences. Such grants may be
12 used by such institutions to assist in covering the cost of
13 courses of training or study for such persons, and for estab-
14 lishing and maintaining fellowships or traineeships with
15 stipends (including allowances for traveling, subsistence, and
16 other expenses) for fellows and others undergoing training
17 and their dependents not in excess of such maximum amounts
18 as may be prescribed by the Commissioner.

19 (b) The Commissioner may make a grant to an insti-
20 tution of higher education only upon application by the
21 institution and only upon his finding (1) that such grant
22 funds will be expended for a new or enlarged program of the
23 institution for training persons in librarianship, and (2) that
24 such new or enlarged program will substantially further the

1 objective of increasing the opportunities throughout the
2 Nation for providing such training.

3 RESEARCH AND DEMONSTRATIONS RELATING TO LIBRARIES
4 AND THE TRAINING OF LIBRARY PERSONNEL

5 SEC. 224. (a) The Commissioner is authorized to make
6 grants to institutions of higher education and other public
7 or private agencies, institutions, and organizations and to
8 individuals, for research and demonstration projects relating
9 to the improvement of libraries or the improvement of train-
10 ing in librarianship, including the development of new tech-
11 niques, systems, and equipment for processing, storing, and
12 distributing information, and for the dissemination of infor-
13 mation derived from such research and demonstrations, and,
14 without regard to section 3709 of the Revised Statutes
15 (41 U.S.C. 5), to provide by contracts with them for the
16 conduct of such activities; except that no such grant may be
17 made to a private agency, organization, or institution other
18 than a nonprofit one.

19 (b) The Commissioner is authorized to appoint such
20 special or technical advisory committees as he may deem
21 necessary to advise him on matters of general policy con-
22 cerning research and demonstration projects relating to the
23 improvement of libraries and the improvement of training

1 in librarianship, or concerning special services necessary
2 thereto or special problems involved therein.

3 (c) The Commissioner shall also from time to time
4 appoint panels of experts competent to evaluate various
5 types of research and demonstration projects under this
6 section, and shall obtain the advice and recommendations
7 of such a panel before making each grant under this section.

8 (d) Members of any committee or panel appointed
9 under this section who are not regular full-time employees
10 of the United States shall, while serving on the business
11 of such a committee or panel, be entitled to receive com-
12 pensation at rates fixed by the Commissioner, but not in
13 excess of \$100 per diem, including travel time; and they
14 may, while so serving away from their homes or regular
15 places of business, be allowed travel expenses, including per
16 diem in lieu of subsistence, as authorized by section 5 of the
17 Administrative Expenses Act of 1946 (5 U.S.C. 73b-2)
18 for persons in the Government service employed inter-
19 mittently.

20 **REPEALER**

21 SEC. 225. Effective July 1, 1965, section 1101 of the
22 National Defense Education Act of 1958 is amended by

1 adding the word "or" at the end of clause (2), by striking
2 out clause (3), and by renumbering clause (4) as clause
3 (3).

4 TITLE III—STRENGTHENING DEVELOPING
5 INSTITUTIONS

6 STATEMENT OF PURPOSE AND APPROPRIATIONS

7 AUTHORIZED

8 SEC. 301. (a) The purpose of this title is to assist in
9 raising the academic quality of colleges which have the desire
10 and potential to make a substantial contribution to the higher
11 education resources of our Nation but which for financial and
12 other reasons are struggling for survival and are isolated
13 from the main currents of academic life, and to do so by en-
14 abling the Commissioner to establish a national teaching
15 fellow program and to encourage and assist in the establish-
16 ment of cooperative arrangements under which these col-
17 leges may draw on the talent and experience of our finest col-
18 leges and universities, and on the educational resources of
19 business and industry, in their effort to improve their aca-
20 demic quality.

21 (b) There are authorized to be appropriated \$30,000,-
22 000 for the fiscal year ending June 30, 1966, and such sums
23 as may be necessary for each of the four succeeding fiscal
24 years, to carry out the provisions of this title.

1 DEFINITION OF "DEVELOPING INSTITUTION"

2 SEC. 302. As used in this title the term "developing
3 institution" means a public or nonprofit educational institu-
4 tion in any State which—

5 (a) admits as regular students only persons having
6 a certificate of graduation from a school providing sec-
7 ondary education, or the recognized equivalent of such a
8 certificate;

9 (b) is legally authorized to provide, and provides
10 within the State, an educational program for which it
11 awards a bachelor's degree;

12 (c) is planning to award or has awarded a bach-
13 elor's degree in the academic year for which it seeks
14 assistance under this title and in each of the five academic
15 years before that year;

16 (d) is accredited by a nationally recognized accred-
17 iting agency or association determined by the Commis-
18 sioner to be reliable authority as to the quality of training
19 offered or is, according to such an agency or association,
20 making reasonable progress toward accreditation;

21 (e) is making a reasonable effort to improve the
22 quality of its teaching and administrative staffs and of its
23 student services;

24 (f) is seriously handicapped in its efforts to improve

1 such staffs and services by lack of financial resources and
2 a shortage of qualified professional personnel;

3 (g) meets such other requirements as the Commis-
4 sioner may prescribe by regulation; and

5 (h) is not an institution, or department or branch
6 of an institution, whose program is specifically for the
7 education of students to prepare them to become min-
8 isters of religion or to enter upon some other religious
9 vocation or to prepare them to teach theological subjects.

10 ADVISORY COUNCIL ON DEVELOPING INSTITUTIONS

11 SEC. 303. (a) The Commissioner shall establish in the
12 Office of Education an Advisory Council on Developing Insti-
13 tutions (hereinafter in this title referred to as the "Council"),
14 consisting of the Commissioner, who shall be Chairman, one
15 representative each of such Federal agencies having responsi-
16 bilities with respect to developing institutions as the Com-
17 missioner may designate, and eight members appointed,
18 without regard to the civil service laws, by the Commissioner
19 with the approval of the Secretary.

20 (b) The Council shall advise the Commissioner with
21 respect to policy matters arising in the administration of this
22 title and in particular shall assist the Commissioner in iden-
23 tifying those developing institutions through which the pur-
24 poses of this title can best be achieved and in establishing
25 priorities for use in approving applications under this title.

1 The Commissioner may appoint such special advisory and
2 technical experts and consultants as may be useful in carrying
3 out the functions of the Council.

4 (c) Members of the Council who are not otherwise full-
5 time employees of the United States shall, while serving on
6 business of the Council, receive compensation at a rate
7 to be fixed by the Secretary, but not exceeding \$100 per day,
8 including travel time; and, while so serving away from their
9 homes or regular places of business, members may be allowed
10 travel expenses, including per diem in lieu of subsistence,
11 as authorized by section 5 of the Administrative Expenses
12 Act of 1946 (5 U.S.C. 73b-2) for persons in the Govern-
13 ment service employed intermittently.

14 GRANTS FOR COOPERATIVE AGREEMENTS TO STRENGTHEN

15 DEVELOPING INSTITUTIONS

16 SEC. 304. (a) The Commissioner is authorized to
17 make grants to developing institutions and other colleges and
18 universities to pay part of the cost of planning, developing,
19 and carrying out cooperative arrangements which show
20 promise as effective measures for strengthening the academic
21 programs of developing institutions. Such cooperative
22 arrangements may be between developing institutions, be-
23 tween developing institutions and other colleges and univer-
24 sities, and between developing institutions and organizations,

1 agencies, and business entities. Grants under this section
2 may be used for projects and activities such as—

3 (1) exchange of faculty or students, including ar-
4 rangements for bringing visiting scholars to developing
5 institutions;

6 (2) faculty improvement programs utilizing train-
7 ing, education, internships, research participation, and
8 other means;

9 (3) introduction of new curriculums and curricular
10 materials;

11 (4) development and operation of cooperative edu-
12 cation programs involving alternate periods of academic
13 study and business or public employment;

14 (5) joint use of facilities such as libraries or labora-
15 tories, including necessary books, materials, and equip-
16 ment; and

17 (6) other arrangements which offer promise of
18 strengthening the academic programs of developing in-
19 stitutions.

20 (b) A grant may be made under this section only
21 upon application to the Commissioner at such time or times
22 and containing such information as he deems necessary.
23 The Commissioner shall not approve an application unless
24 it—

25 (1) sets forth a program for carrying out one or

1 more projects or activities which meet the requirements
2 of subsection (a) and provides for such methods of ad-
3 ministration as are necessary for the proper and efficient
4 operation of the program;

5 (2) sets forth policies and procedures which assure
6 that Federal funds made available under this section for
7 any fiscal year will be so used as to supplement and,
8 to the extent practical, increase the level of funds that
9 would, in the absence of such Federal funds, be made
10 available for purposes which meet the requirements of
11 subsection (a), and in no case supplant such funds;

12 (3) provides for such fiscal control and fund ac-
13 counting procedures as may be necessary to assure proper
14 disbursement of and accounting for Federal funds paid
15 to the applicant under this section; and

16 (4) provides for making such reports, in such form
17 and containing such information, as the Commissioner
18 may require to carry out his functions under this title,
19 and for keeping such records and for affording such
20 access thereto as the Commissioner may find necessary
21 to assure the correctness and verification of such reports.

22 (c) The Commissioner shall, after consultation with
23 the Council, establish criteria as to eligible expenditures for
24 which grants made under this section may be used, which
25 criteria shall be so designed as to prevent the use of such

1 grants for expenditures not necessary to the achievement of
2 the purposes of this part.

3 NATIONAL TEACHING FELLOWSHIPS

4 SEC. 305. (a) The Commissioner is authorized to award
5 fellowships under this section to highly qualified graduate
6 students and junior members of the faculty of colleges and
7 universities, to encourage such individuals to teach at a
8 developing institution. The Commissioner shall award fel-
9 lowships to individuals for teaching at developing institu-
10 tions only upon application by an institution approved for
11 this purpose by the Commissioner and only upon a finding
12 by the Commissioner that the program of teaching set forth
13 in the application is reasonable in the light of the qualifica-
14 tions of the teaching fellow and of the educational needs of
15 the applicant.

16 (b) Fellowships may be awarded under this section
17 for such period of teaching as the Commissioner may deter-
18 mine, but such period shall not exceed two academic years
19 or extend beyond June 30, 1970. Each person awarded a
20 fellowship under the provisions of this section shall receive
21 a stipend for each academic year of teaching of not more
22 than \$6,500 as determined by the Commissioner upon the
23 advice of the Council, plus an additional amount of \$400 for
24 each such year on account of his dependents.

1 TITLE IV—STUDENT ASSISTANCE

2 PART A—UNDERGRADUATE SCHOLARSHIPS

3 STATEMENT OF PURPOSE AND APPROPRIATIONS

4 AUTHORIZED

5 SEC. 401. (a) It is the purpose of this part to provide,
6 through institutions that are participating in the higher
7 education work-study program and student loan program,
8 scholarships to assist in making available the benefits of
9 higher education to qualified high school graduates from
10 low-income families, who for lack of financial means of their
11 own or of their families would be unable to obtain such
12 benefits without such aid. It is further the purpose of the
13 Congress to encourage such institutions to use such work-
14 study and loan programs and any other means of student
15 aid available to them to combine with or supplement scholar-
16 ship aid under this part, as may be appropriate in any case.

17 (b) There are hereby authorized to be appropriated
18 \$70,000,000 for the fiscal year ending June 30, 1966, and
19 such sums as may be necessary for each of the four suc-
20 ceeding fiscal years, to enable the Commissioner to make
21 payments to institutions of higher education that have agree-
22 ments with him entered into under section 407, for use by
23 such institutions (1) for payments to undergraduate students

1 for the initial academic year of scholarships awarded to them
2 under this part and (2) for defraying (within the limits
3 specified in section 407 (b)) eligible costs of administration,
4 by such institutions, of the cooperative motivational program
5 for high school students described in section 407 (a) (5) .
6 There are further authorized to be appropriated, for the fiscal
7 year ending June 30, 1967, and each of the six succeeding
8 fiscal years, such sums as may be necessary for payment
9 to such institutions for use by them for making scholarship
10 payments under this part to undergraduate students for
11 academic years other than the initial year of their scholar-
12 ship. Sums appropriated pursuant to this subsection for
13 any fiscal year shall be available for payment to institutions
14 until the close of the fiscal year succeeding the fiscal year
15 for which they were appropriated. For the purposes of this
16 subsection, payment for the first year of a scholarship shall
17 not be considered as an initial-year payment if the scholar-
18 ship was awarded for the continuing education of a student
19 who had been previously awarded a scholarship under this
20 part (whether by another institution or otherwise) and had
21 received payment for any year of that scholarship.

22 AMOUNT OF SCHOLARSHIP—ANNUAL DETERMINATION

23 SEC. 402. From the funds received by it for such pur-
24 pose under this part, an institution of higher education which
25 awards a scholarship to a student under this part shall, for

1 the duration of the scholarship, pay to that student for each
2 academic year during which he is in need of scholarship
3 aid to pursue a course of study at the institution, an amount
4 determined by the institution for such student with respect to
5 that year, which amount shall not exceed \$800 or, if less, the
6 amount deemed by the institution to be required by such
7 student to pursue the educational program involved at the
8 institution; except that if the amount of the payment so
9 determined for that year is less than \$200 no payment shall
10 be made under this part to that student for that year. The
11 Commissioner shall, subject to the foregoing limitations,
12 prescribe for the guidance of participating institutions basic
13 criteria or schedules (or both) for the determination of the
14 amount of any such scholarship, taking into account the
15 objective of limiting scholarship aid under this part to
16 students from low-income families and such other factors,
17 including the number of dependents in the family, as the
18 Commissioner may deem relevant.

19 DURATION OF SCHOLARSHIP

20 SEC. 403. The duration of a scholarship awarded under
21 this part shall be the period required for completion by the
22 recipient of his undergraduate course of study at the institu-
23 tion of higher education from which he received the scholar-
24 ship award, except that such period shall not exceed four
25 academic years less any such period with respect to which

1 the recipient has previously received payments under this
2 part pursuant to a prior scholarship award (whether made
3 by the same or another institution). A scholarship awarded
4 under this part shall entitle the recipient to payments only if
5 he (1) is maintaining satisfactory progress in the course of
6 study which he is pursuing, according to the regularly pre-
7 scribed standards and practices of the institution from which
8 he received the award, and (2) is devoting essentially full
9 time to that course of study, during the academic year, in
10 attendance at that institution. Failure to be in attendance
11 at the institution during vacation periods or periods of mili-
12 tary service, or during other periods during which the Com-
13 missioner determines in accordance with regulations that
14 there is good cause for his nonattendance (during which
15 periods he shall receive no payments), shall not be deemed
16 contrary to clause (2).

17 SELECTION OF RECIPIENTS OF SCHOLARSHIPS

18 SEC. 404. (a) An individual shall be eligible for a
19 scholarship award under this part at any institution of higher
20 education which has made an agreement with the Commis-
21 sioner pursuant to section 407 (which institution is herein-
22 after in this part referred to as an "eligible institution"), if
23 the individual (1) has not attained the age of 21 and will
24 not attain that age prior to the beginning of the fiscal year
25 for which he is applying for the award, (2) is from a low-

1 income family (as determined in accordance with the criteria
2 or schedules prescribed pursuant to section 402), and (3)
3 makes application at the time and in the manner prescribed
4 by that institution.

5 (b) From among those eligible for scholarship awards
6 from an institution of higher education for each fiscal year,
7 the institution shall, in accordance with the provisions of its
8 agreement with the Commissioner under section 407 and
9 within the amount allocated to the institution for that pur-
10 pose for that year under section 406, select individuals who
11 are to be awarded such scholarships and determine, pursuant
12 to section 402, the amounts to be paid to them. An institu-
13 tion shall not award a scholarship to an individual unless it
14 determines that—

15 (1) he is in need of the scholarship to pursue a
16 course of study at such institution;

17 (2) he is capable, in the opinion of the institution,
18 of maintaining good standing in such course of study;
19 and

20 (3) he has been accepted for enrollment as a full-
21 time student at such institution or, in the case of a stu-
22 dent already attending such institution, is in good
23 standing and in full-time attendance there as an under-
24 graduate student.

1 APPORTIONMENT OF SCHOLARSHIP FUNDS AMONG STATES

2 SEC. 405. (a) (1) From the sums appropriated pursu-
3 ant to the first sentence of section 401 (b) for any fiscal
4 year, the Commissioner shall apportion an amount equal
5 to not more than 2 per centum of such sums among Puerto
6 Rico, Guam, American Samoa, and the Virgin Islands ac-
7 cording to their respective needs for assistance under this
8 part. The remainder of the sums so appropriated shall be
9 apportioned among the States as provided in paragraph (2).

10 (2) Of the sums being apportioned under this subsec-
11 tion—

12 (A) one-third shall be apportioned by the Com-
13 missioner among the States so that the apportionment to
14 each State under this clause will be an amount which
15 bears the same ratio to such one-third as the number of
16 persons enrolled on a full-time basis in institutions of
17 higher education in such State bears to the total number
18 of persons enrolled on a full-time basis in institutions of
19 higher education in all the States,

20 (B) one-third shall be apportioned by the Commis-
21 sioner among the States so that the apportionment to
22 each State under this clause will be an amount which
23 bears the same ratio to such one-third as the number of
24 secondary school graduates of such State bears to the

1 total number of such secondary school graduates of all
2 the States, and

3 (C) one-third shall be allotted by him among the
4 States so that the appointment to each State under this
5 clause will be an amount which bears the same ratio to
6 such one-third as the number of related children under
7 eighteen years of age living in families with annual in-
8 comes of less than \$3,000 in such State bears to the num-
9 ber of related children under eighteen years of age living
10 in families with annual incomes of less than \$3,000 in
11 all the States.

12 (3) For purposes of paragraphs (1) and (2) of this
13 subsection—

14 (A) the term “State” does not include Puerto Rico,
15 Guam, American Samoa, and the Virgin Islands,

16 (B) the term “secondary school graduate” means a
17 person who has received formal recognition (by diploma,
18 certificate, or similar means) from an approved school
19 for successful completion of four years of education be-
20 yond the first eight years of schoolwork, and

21 (C) the number of persons enrolled on a full-time
22 basis in institutions of higher education and the number
23 of secondary school graduates shall each be determined
24 by the Commissioner on the basis of the most recent

1 satisfactory data available from the Department of
2 Health, Education, and Welfare, and the number of
3 related children under eighteen years of age living in
4 families with annual incomes of less than \$3,000 shall
5 be determined by the Commissioner on the basis of the
6 most recent satisfactory data available from the Depart-
7 ment of Commerce.

8 (4) If the total of the sums determined by the Com-
9 missioner to be required under section 406 for any fiscal
10 year for eligible institutions in a State is less than the amount
11 of the apportionment to that State under paragraph (1) or
12 (2) for that year, the Commissioner may reapportion the
13 remaining amount from time to time, on such date or dates
14 as he may fix, to other States in such manner as he deter-
15 mines will best assist in achieving the purposes of this part.

16 (b) Sums appropriated pursuant to the second sentence
17 of section 401 for any fiscal year shall be apportioned or
18 reapportioned among the States in such manner as the Com-
19 missioner determines to be necessary to carry out the pur-
20 poses for which such sums are appropriated.

21 ALLOCATION OF APPORTIONED FUNDS TO INSTITUTIONS

22 SEC. 406. (a) (1) The Commissioner shall from time
23 to time set dates by which eligible institutions in any State
24 must file applications for allocation, to such institutions, of
25 student scholarship funds from the apportionment to that

1 State (and of any reapportionment thereto) for any fiscal
2 year pursuant to section 405 (a), to be used for the purposes
3 specified in the first sentence of section 401 (b). Such allo-
4 cations shall be made in accordance with equitable criteria
5 which the Commissioner shall establish and which shall be
6 designed to achieve such distribution of such funds among
7 eligible insitutions within a State as will most effectively
8 carry out the purposes of this part.

9 (2) The Commissioner shall further, in accordance with
10 regulations, allot to eligible institutions, in any State, from
11 funds apportioned or reapportioned pursuant to section 405
12 (b), funds to be used for the scholarship payments specified
13 in the second sentence of section 401 (b).

14 (b) Payments shall be made from allotments under
15 this section to institutions as needed.

16 AGREEMENTS WITH INSTITUTIONS—CONDITIONS

17 SEC. 407. (a) An institution of higher education which
18 has in effect an agreement for Federal capital contributions
19 for a student loan fund under title II of the National Defense
20 Education Act of 1958 and an agreement for assistance in
21 the operation of a work-study program under part C of title
22 I of the Economic Opportunity Act of 1964 (including any
23 agreement under such part C as amended by part C of this
24 title), and which desires to obtain funds for scholarships

1 under this part, shall enter into an agreement with the Com-
2 missioner. Such agreement shall—

3 (1) provide that funds received by the institution
4 under this part will be used by it only for the purposes
5 specified in, and in accordance with, the provisions of
6 this part;

7 (2) provide that in determining whether an indi-
8 vidual is an eligible student from a low-income family
9 the institution will (A) consider the source of such in-
10 dividual's income and that of any individual or indi-
11 viduals upon whom the student relies primarily for sup-
12 port, and (B) make an appropriate review of the assets
13 of the student and of such individuals;

14 (3) provide that in the selection of students to
15 receive scholarships under this part preference shall be
16 given to (A) students who are beginning their first year
17 of undergraduate study and (B) students who are trans-
18 ferring from an institution of higher education which
19 customarily offers only a two-year program of study to
20 an institution which offers four or more years of higher
21 education;

22 (4) provide that the institution will combine in an
23 appropriate manner financial assistance in the form of
24 loans under title II of the National Defense Education
25 Act of 1958, work-study opportunities under part C of

1 title I of the Economic Opportunity Act of 1964 (as
2 amended by part C of this title) , and scholarships under
3 this part, in an effort to meet the financial needs of
4 students from low-income families;

5 (5) provide that the institution, in cooperation with
6 other institutions of higher education where appropriate,
7 will make vigorous efforts to identify qualified youths
8 from low-income families and to encourage them to
9 continue their education beyond secondary school
10 through programs and activities such as—

11 (A) establishing or strengthening close work-
12 ing relationships with secondary-school principals
13 and guidance and counseling personnel with a view
14 toward motivating students to complete secondary
15 school and pursue post-secondary-school educational
16 opportunities, and

17 (B) making, to the extent feasible, tentative
18 commitments for scholarships to qualified students
19 enrolled in grade 11 and lower grades or to
20 secondary-school dropouts who have a demonstrated
21 aptitude for college study;

22 (6) provide assurance that the institution will con-
23 tinue to spend in its own scholarship and student-aid
24 program, from sources other than funds received under
25 this part, not less than the average expenditure per

1 year made for that purpose during the most recent
2 period of three fiscal years preceding the effective date
3 of the agreement;

(7) include provisions designed to make scholarships under this part reasonably available (to the extent of available funds) to all eligible students in the institution in need thereof; and

8 (8) include such other provisions as may be neces-
9 sary to protect the financial interest of the United States
10 and promote the purposes of this part.

(b) An institution may spend up to 5 per centum of the funds paid to it for any fiscal year ending prior to July 1, 1970, for the administration of the program described in paragraph (5) of subsection (a).

15 CONTRACTS TO ENCOURAGE FULL UTILIZATION OF
16 EDUCATIONAL TALENT

17 SEC. 408. (a) To assist in achieving the purposes of this
18 title the Commissioner is authorized (without regard to
19 section 3709 of the Revised Statutes (41 U.S.C. 5)), to
20 enter into contracts, not to exceed \$100,000 per year, with
21 State and local educational agencies and other public or
22 nonprofit organizations and institutions for the purpose of—

(a) identifying qualified youths from low-income families and encouraging them to complete secondary school and undertake postsecondary educational training,

(b) publicizing existing forms of student financial aid, including aid furnished under this part, and

(c) encouraging secondary-school dropouts of demonstrated aptitude to reenter educational programs, including post-secondary-school programs.

(b) There are hereby authorized to be appropriated such sums as may be necessary to carry out this section.

DEFINITION OF "ACADEMIC YEAR"

SEC. 409. As used in this part, the term "academic year" means an academic year or its equivalent as defined in regulations of the Commissioner.

PART B—INSURANCE OF REDUCED-INTEREST LOANS TO STUDENTS IN INSTITUTIONS OF HIGHER EDUCATION AND POSTSECONDARY SCHOOLS

APPROPRIATIONS AUTHORIZED

SEC. 421. For the purpose of enabling the Commissioner to insure eligible lenders (as defined in section 431), on behalf of the United States, against losses on loans made by them upon the conditions and within the limits specified in this part to students in eligible institutions (as defined in section 431) who do not have reasonable access to substantially similar loan insurance programs, and to pay a portion of the interest on loans insured under this part or under a program of a State or a nonprofit institution or organization

1 which has an agreement with the Commissioner pursuant to
2 section 426—

3 (a) there are authorized to be appropriated to the
4 student loan insurance fund (established by section 429)
5 (1) the sum of \$1,000,000, and (2) such further sums,
6 if any, as may become necessary for the adequacy of the
7 student loan insurance fund, and

8 (b) there are authorized to be appropriated, for
9 payments under section 426 with respect to interest on
10 insured loans, such sums for the fiscal year ending June
11 30, 1966, and such sums for succeeding fiscal years, as
12 may be required therefor.

13 Such sums appropriated under this section shall remain avail-
14 able until expended.

15 SCOPE AND DURATION OF REDUCED-INTEREST LOAN

16 INSURANCE PROGRAM

17 SEC. 422. (a) The total principal amount of new loans
18 to students covered by insurance under this part shall not ex-
19 ceed \$700,000,000 in the fiscal year ending June 30, 1966,
20 \$1,000,000,000 in the fiscal year ending June 3, 1967, and
21 \$1,400,000,000 in the fiscal year ending June 3, 1968, and
22 each of the two succeeding fiscal years. Thereafter, insur-
23 ance pursuant to this part may be granted only for loans
24 made (or for loan installments paid pursuant to lines of
25 credit as defined in section 431) to enable students, who

1 have obtained prior loans insured under this part, to continue
2 or complete their educational program; but no insurance
3 may be granted for any loan made or installment paid after
4 June 30, 1974.

5 (b) The Commissioner may, if he finds it necessary to
6 do so in order to assure an equitable distribution of the bene-
7 fits of this part, assign, within the maximum amounts spe-
8 cified in subsection (a), insurance quotas applicable to
9 eligible lenders, or to States or areas, and may from time to
10 time reassign unused portions of these quotas.

11 (c) If the Commissioner determines in accordance with
12 regulations that students, or one or more classes of students,
13 in a State or other area have reasonable access to another
14 public or a private program of loan insurance which is at
15 least substantially as beneficial to such students as is the pro-
16 gram of loan insurance set forth in this part, he shall not, for
17 so long as he determines such condition to continue, issue
18 certificates of insurance to lenders under section 427 cover-
19 ing loans to such students or classes of students.

20 LIMITATIONS ON INDIVIDUAL LOANS AND ON INSURANCE

21 SEC. 423. (a) No loan or loans by one or more eligible
22 lenders in excess of \$1,500 in the aggregate to any student
23 in any academic year or its equivalent shall be covered by
24 insurance under this part. The aggregate insured unpaid
25 principal amount of all such insured loans made to any

1 student shall not at any time exceed \$9,000 in the case of
2 any graduate or professional student (as defined in regula-
3 tions of the Commissioner, and including any such insured
4 loans made to such person before he became a graduate or
5 professional student), or \$6,000 in the case of any other
6 student. The annual insurable limit per student shall not
7 be deemed to be exceeded by a line of credit (as defined in
8 section 431) under which actual payments by the lender
9 to the borrower will not be made in any year in excess of
10 the annual limit.

11 (b) The insurance liability on any loan insured under
12 this part shall be 100 per centum of the unpaid balance
13 of the principal amount of the loan. Such insurance liability
14 shall not include liability for interest whether or not that
15 interest has been added to the principal amount of the loan.

16 SOURCES OF FUNDS

17 SEC. 424. Loans made by eligible lenders in accord-
18 ance with this part shall be insurable whether made from
19 funds fully owned by the lender or from funds held by
20 the lender in a trust or similar capacity and available for
21 such loans.

22 ELIGIBILITY OF STUDENT BORROWERS AND TERMS OF
23 STUDENT LOANS

24 SEC. 425. (a) A loan by an eligible lender shall be
25 insurable under the provisions of this part only if—

(1) made to a student who (A) has been accepted for enrollment at an eligible institution or, in the case of a student already attending such institution, is in good standing there as determined by the institution, and (B) is carrying at least one-half of the normal full-time workload as determined by the institution, and (C) has provided the lender with a statement of the institution which sets forth a schedule of the tuition and fees applicable to that student and its estimate of the cost of board and room for such a student; and

(2) evidenced by a note or other written agreement which—

(A) is made without security and without endorsement, except that if the borrower is a minor and such note or other written agreement executed by him would not, under the applicable law, create a binding obligation, endorsement may be required,

(B) provides for repayment (except as provided in subsection (b)) of the principal amount of the loan in installments during a period of not less than five years (unless sooner repaid) nor more than ten years beginning (i) not earlier than one year following the date on which the student ceases to carry at an eligible institution at least one-half the normal full-time academic workload as

determined by the institution, or (ii) if sooner, and if agreed upon between the borrower and the lender, not earlier than one year following the date on which the student completes or ceases to pursue the study program in which he was enrolled or had been accepted for enrollment, except that (iii) the period of the loan may not exceed fifteen years, and (iv) the note or other written instrument may contain such provisions relating to repayment in the event of default in the payment of interest or in payment of the cost of insurance premiums, or other default by the borrower, as may be authorized by regulations of the Commissioner in effect at the time the loan is made,

(C) provides for interest on the unpaid balance of the loan at a yearly rate, not exceeding the applicable maximum rate as prescribed and defined by the Secretary on a national, regional, or other appropriate basis, which interest shall be payable in installments over the period of the loan except that, if provided in the note or other written agreement, payment of interest may be deferred until not later than the date upon which repayment of the first installment of principal falls due, in which case interest that has accrued during such period may be

1 added on that date to the principal (but without
2 thereby increasing the insurance liability under this
3 part),

4 (D) provides that the lender will not collect or
5 attempt to collect from the borrower that portion of
6 the interest on the note which is payable by the
7 Commissioner under this part,

8 (E) entitles the student borrower to accelerate
9 without penalty repayment of the whole or any
10 part of the loan, and

11 (F) contains such other terms and conditions,
12 consistent with the provisions of this part and with
13 the regulations issued by the Commissioner pursuant
14 to this part, as may be agreed upon by the parties
15 to such loan, including, if agreed upon, a provision
16 requiring the borrower to pay to the lender, in
17 addition to principal and interest, amounts equal to
18 the insurance premiums payable by the lender to
19 the Commissioner with respect to such loan.

20 (b) The total of the payments by any borrower during
21 any year of any repayment period with respect to the
22 aggregate amount of all loans to that borrower which are
23 insured under this part and held by any person shall not be
24 less than \$500 or the total of the amount payable during

1 that year with respect to such loans, whichever amount
2 is less.

3 FEDERAL PAYMENTS TO REDUCE STUDENT INTEREST COSTS

4 SEC. 426. (a) (1) Each student who has received a
5 loan which is insured under this part, and each student who
6 has received a loan which—

7 (A) is insured under a State program, or under a
8 program of a nonprofit institution or organization, covered by an agreement made pursuant to subsection (b),

10 (B) is insured under that program to the extent of
11 at least 90 per centum of the unpaid balance of the loan,
12 and

13 (C) was contracted for after the effective date of
14 that agreement and was paid to the student either (i)
15 prior to July 1, 1970, or (ii) prior to July 1, 1974, in
16 the case of a loan made (or a loan installment paid pursuant to a line of credit) to enable a student who has
17 obtained a prior loan insured under such program to
18 continue or complete his educational program,

19 shall be entitled to have paid on his behalf and for his
20 account to the holder of the loan, over the period of the loan,
21 a portion of the interest on the loan. Such portion shall be
22 determined pursuant to regulations of the Secretary in effect
23 at the time the loan is paid, and shall not equal more than
24 2 per centum of the unpaid principal (excluding interest

1 which has been added to principal) of the loan. The holder
2 of that loan shall be deemed to have a contractual right, as
3 against the United States, to receive this portion of interest
4 from the Commissioner. The Commissioner shall pay this
5 portion of the interest to the holder of the insured loan on
6 behalf of and for the account of the borrower at such times
7 as may be specified in regulations in force when the appli-
8 cable agreement entered into pursuant to subsection (b) was
9 made.

10 (2) Each holder of such an insured loan shall submit
11 to the Commissioner, at such time or times and in such
12 manner as he may prescribe, statements containing such
13 information as may be required by or pursuant to regula-
14 tion for the purpose of enabling the Commissioner to deter-
15 mine the amount of the payment which he must make with
16 respect to that loan.

17 (b) Any State which has a program under which loans
18 to students in eligible institutions are insured by the State,
19 or by a State agency or instrumentality wholly owned by the
20 State, and any nonprofit institution or organization which
21 insures loans to students in eligible institutions, may enter into
22 an agreement with the Commissioner for the purpose of entitl-
23 ing students who receive loans which are so insured to have
24 made on their behalf the payments set forth in paragraph (1)
25 of subsection (a). Such an agreement shall—

1 (A) provide that a loan to a student will be in-
2 sured under the State program or by the nonprofit in-
3 stitution or organization, as the case may be, only if the
4 loan meets the requirements of section 423 (a) and para-
5 graphs (1), (2) (A), (2) (D), and (2) (E) of section
6 425 (a) ;

7 (B) provide that the holder of any such loan will
8 be required to submit to the Commissioner, at such time
9 or times and in such manner as he may prescribe, state-
10 ments containing such information as may be required
11 by or pursuant to regulation for the purpose of enabling
12 the Commissioner to determine the amount of the pay-
13 ment which he must make with respect to that loan;

14 (C) include such other provisions as may be neces-
15 sary to protect the financial interest of the United States
16 and promote the purposes of this part and as are agreed
17 to by the Commissioner and the State; and

18 (D) provide for making such reports in such form
19 and containing such information as the Commissioner
20 may reasonably require to carry out his function under
21 this part, and for keeping such records and for affording
22 such access thereto as the Commissioner may find neces-
23 sary to assure the correctness and verification of such
24 reports.

CERTIFICATES OF INSURANCE—EFFECTIVE DATE OF
INSURANCE

SEC. 427. (a) (1) If, upon application by an eligible lender, made upon such form, containing such information, and supported by such evidence as the Commissioner may require, and otherwise in conformity with this section, the Commissioner finds that the applicant has made a loan to an eligible student which is insurable under the provisions of this part, he may issue to the applicant a certificate of insurance covering the loan and setting forth the amount and terms of the insurance.

(2) Insurance evidenced by a certificate of insurance pursuant to subsection (a) (1) shall become effective upon the date of issuance of the certificate, except that the Commissioner is authorized, in accordance with regulations, to issue commitments with respect to proposed loans, or with respect to lines (or proposed lines) of credit, submitted by eligible lenders, and in that event, upon compliance with subsection (a) (1) by the lender, the certificate of insurance may be issued effective as of the date when any loan, or any payment by the lender pursuant to a line of credit, to be covered by such insurance was made. Such insurance shall cease to be effective upon thirty days' default by the lender

1 in the payment of any installment of the premiums payable
2 pursuant to subsection (c).

3 (3) An application submitted pursuant to subsection
4 (a) (1) shall contain (1) an agreement by the applicant
5 to pay, in accordance with regulations, the premiums fixed
6 by the Commissioner pursuant to subsection (c), and (2)
7 an agreement by the applicant that if the loan is covered by
8 insurance the applicant will submit such supplementary re-
9 ports and statements during the effective period of the loan
10 agreement, upon such forms, at such times, and containing
11 such information as the Commissioner may prescribe by or
12 pursuant to regulation.

13 (b) (1) In lieu of requiring a separate insurance ap-
14 plication and issuing a separate certificate of insurance for
15 each student loan made by an eligible lender as provided in
16 subsection (a), the Commissioner may, in accordance with
17 regulations consistent with section 422, issue to any eligible
18 lender applying therefor a certificate of comprehensive insur-
19 ance coverage which shall, without further action by the
20 Commissioner, insure all insurable loans made by that lender,
21 on or after the date of the certificate and before a specified
22 cutoff date, within the limits of an aggregate maximum
23 amount stated in the certificate. Such regulations may pro-
24 vide for conditioning such insurance, with respect to any loan,
25 upon compliance by the lender with such requirements (to

1 be stated or incorporated by reference in the certificate) as
2 in the Commissioner's judgment will best achieve the purpose
3 of this subsection while protecting the financial interest of the
4 United States and promoting the objectives of this part, in-
5 cluding (but not limited to) provisions as to the reporting
6 of such loans and information relevant thereto to the Com-
7 missioner and as to the payment of initial and other premiums
8 and the effect of default therein, and including provision for
9 confirmation by the Commissioner from time to time (through
10 endorsement of the certificate) of the coverage of specific
11 new loans by such certificate, which confirmation shall be
12 incontestable by the Commissioner in the absence of fraud
13 or misrepresentation of fact or patent error.

14 (2) If the holder of a certificate of comprehensive
15 insurance issued under this subsection grants to a student
16 a line of credit extending beyond the cutoff date specified
17 in that certificate, loans or payments thereon made by the
18 holder after that date pursuant to the line of credit shall not
19 be deemed to be included in the coverage of that certificate
20 except as may be specifically provided therein; but, subject
21 to the limitations of section 422, the Commissioner may,
22 in accordance with regulations, make commitments to insure
23 such future loans or payments, and such commitments may
24 be honored either as provided in subsection (a) or by in-
25 clusion of such insurance in comprehensive coverage under

1 this subsection for the period or periods in which such future
2 loans or payments are made.

3 (c) The Commissioner shall, pursuant to regulations,
4 charge for insurance on each loan under this part a premium
5 in an amount not to exceed one-fourth of 1 per centum per
6 year of the unpaid balance of principal and accrued interest
7 of such loan, payable in advance, at such time and in such
8 manner as may be prescribed by the Commissioner. Such
9 regulations may provide that such premium shall not be
10 payable, or if paid shall be refundable, with respect to any
11 period after default in the payment of principal or interest
12 or after the borrower has died or becomes totally and perma-
13 nently disabled, if (1) notice of such default or other event
14 has been duly given, and (2) request for payment of the
15 loss insured against has been made or the Commissioner
16 has made such payment on his own motion pursuant to
17 section 428 (a).

18 (d) The rights of an eligible lender arising under in-
19 surance evidenced by a certificate of insurance issued to it
20 under this section may be assigned as security by such
21 lender only to another eligible lender, and subject to regula-
22 tion by the Commissioner.

23 (e) The consolidation of the obligations of two or more
24 insured loans obtained by a student borrower in any fiscal
25 year into a single obligation evidenced by a single instru-

ment of indebtedness shall not affect the insurance by the United States. If the loans thus consolidated are covered by separate certificates of insurance issued under subsection (a), the Commissioner may upon surrender of the original certificates issue a new certificate of insurance in accordance with that subsection upon the consolidated obligation; if they are covered by a single comprehensive certificate issued under subsection (b), the Commissioner may amend that certificate accordingly.

PROCEDURE ON DEFAULT, DEATH, OR DISABILITY OF
STUDENT

SEC. 428. (a) Upon default by the student borrower on any loan covered by insurance pursuant to this title, or upon the death of the student borrower or a finding by the insurance beneficiary that the borrower has become totally and permanently disabled (as determined in accordance with regulations established by the Commissioner) before the loan has been repaid in full, and prior to the commencement of suit or other enforcement proceeding upon any security for that loan, the insurance beneficiary shall promptly notify the Commissioner, and the Commissioner shall if requested (at that time or after further collection efforts) by the beneficiary, or may on his own motion, if the insurance is still in effect, pay to the beneficiary the amount of the loss sustained by the insured upon that loan as soon as that amount

1 has been determined. The “amount of the loss” on any
2 loan shall, for the purposes of this subsection, be deemed
3 to be an amount equal to the unpaid balance of the principal
4 amount of the loan, excluding interest whether or not that
5 interest has been added to the principal amount of the loan,
6 except that where the Commissioner has decided to make
7 payment on his own motion the amount of the loss as so
8 determined shall be deemed tentative and shall be increased
9 by the excess, if any, over the tentative amount of any
10 net recovery made by the Commissioner on the loan after
11 deduction of the cost of that recovery (including reasonable
12 administrative cost).

13 (b) Upon payment by the Commissioner of the insured
14 portion of the loss, or tentative amount of loss, pursuant to
15 subsection (a), the United States shall be subrogated to the
16 rights of the holder of the obligation upon the insured loan
17 and be entitled to an assignment of the note or other evidence
18 of the insured loan by the insurance beneficiary.

19 (c) Nothing in this section or in this part shall be con-
20 strued to preclude any forbearance for the benefit of the
21 student borrower which may be agreed upon by the parties
22 to the insured loan and approved by the Commissioner, or to
23 preclude forbearance by the Commissioner in the enforcement
24 of the insured obligation after payment on that insurance, or
25 to require collection of the amount of any loan by the insur-

1 ance beneficiary or by the Commissioner from the estate of a
2 deceased borrower or from a borrower found by the insurance
3 beneficiary to have become permanently and totally disabled.

4 (d) Nothing in this section or in this part shall be con-
5 strued to excuse the holder of a loan from exercising reason-
6 able care and diligence in the making and collection of loans
7 under the provisions of this part. If the Commissioner, after
8 reasonable notice and opportunity for hearing to an eligible
9 lender, finds that it has substantially failed to exercise such
10 care and diligence or to make the reports and statements
11 required under section 426 (a) (2) and section 427 (a) (3) ,
12 or to pay the required insurance premiums, he shall dis-
13 qualify that lender for further insurance on loans granted pur-
14 suant to this part until he is satisfied that its failure has
15 ceased and finds that there is reasonable assurance that the
16 lender will in the future exercise necessary care and diligence
17 or comply with such requirements, as the case may be.

18 (e) As used in this section—

19 (1) the term “insurance beneficiary” means the
20 insured or its authorized assignee in accordance with
21 section 427 (d) ; and

22 (2) the term “default” includes only such defaults
23 as have existed for (A) one hundred and twenty days
24 in the case of a loan which is repayable in monthly
25 installments, or (B) one hundred and eighty days in the

1 case of a loan which is repayable in less frequent
2 installments.

3 INSURANCE FUND

4 SEC. 429. (a) There is hereby established a student
5 loan insurance fund (hereafter in this section called the
6 "fund") which shall be available without fiscal year limita-
7 tion to the Commissioner for making payments in connection
8 with the default of loans insured under this part. All
9 amounts received by the Commissioner as premium charges
10 for insurance and as receipts, earnings, or proceeds derived
11 from any claim or other assets acquired by the Commissioner
12 in connection with his operations under this part, and any
13 other moneys, property, or assets derived by the Com-
14 missioner from his operations in connection with this section,
15 shall be deposited in the fund. All payments in connection
16 with the default of loans insured under this part shall be paid
17 from the fund. Moneys in the fund not needed for current
18 operations under this section may be invested in bonds or
19 other obligations guaranteed as to principal and interest by
20 the United States.

21 (b) If at any time the moneys in the fund are in-
22 sufficient to make payments in connection with the default
23 of any loan insured under this part, the Commissioner is
24 authorized to issue to the Secretary of the Treasury notes or
25 other obligations in such forms and denominations, bearing

1 such maturities, and subject to such terms and conditions
2 as may be prescribed by the Commissioner with the approval
3 of the Secretary of the Treasury. Such notes or other obliga-
4 tions shall bear interest at a rate determined by the Secre-
5 tary of the Treasury, taking into consideration the current
6 average market yield on outstanding marketable obligations
7 of the United States of comparable maturities during the
8 month preceding the issuance of the notes or other obliga-
9 tions. The Secretary of the Treasury is authorized and
10 directed to purchase any notes and other obligations issued
11 hereunder and for that purpose he is authorized to use as a
12 public debt transaction the proceeds from the sale of any
13 securities issued under the Second Liberty Bond Act, as
14 amended, and the purposes for which securities may be issued
15 under that Act, as amended, are extended to include any pur-
16 chases of such notes and obligations. The Secretary of the
17 Treasury may at any time sell any of the notes or other
18 obligations acquired by him under this subsection. All re-
19 demptions, purchases, and sales by the Secretary of the
20 Treasury of such notes or other obligations shall be treated
21 as public debt transactions of the United States. Sums bor-
22 rowed under this subsection shall be deposited in the fund
23 and redemption of such notes and obligations shall be made
24 by the Commissioner from such fund.

1 LEGAL POWERS AND RESPONSIBILITIES

2 SEC. 430. (a) In the performance of, and with respect
3 to, the functions, powers, and duties vested in him by this
4 part, the Commissioner may—

5 (1) prescribe such regulations as may be necessary
6 to carry out the purposes of this part;

7 (2) sue and be sued in any court of record of a State
8 having general jurisdiction or in any district court of the
9 United States, and such district courts shall have juris-
10 diction of civil actions arising under this part without
11 regard to the amount in controversy, and any action in-
12 stituted under this subsection by or against the Com-
13 missioner shall survive notwithstanding any change in
14 the person occupying the office of Commissioner or any
15 vacancy in that office; but no attachment, injunction,
16 garnishment, or other similar process, mesne or final,
17 shall be issued against the Commissioner or property
18 under his control, and nothing herein shall be construed
19 to except litigation arising out of activities under this
20 part from the application of sections 507 (b) and 2679
21 of title 28 of the United States Code and of section 367
22 of the Revised Statutes (5 U.S.C. 316) ;

23 (3) include in any contract for insurance such terms,
24 conditions, and covenants relating to repayment of prin-
25 cipal and payment of interest, relating to his obligations

1 and rights and to those of eligible lenders, and borrowers
2 in case of default, and relating to such other matters as
3 the Commissioner determines to be necessary to assure
4 that the purposes of this part will be achieved; and any
5 term, condition, and covenant made pursuant to this
6 clause or any other provisions of this part may be modi-
7 fied by the Commissioner if he determines that modifica-
8 tion is necessary to protect the financial interest of the
9 United States;

10 (4) subject to the specific limitations in this part,
11 consent to the modification, with respect to rate of in-
12 terest, time of payment of any installment of principal
13 and interest or any portion thereof, or any other pro-
14 vision, of any note or other instrument evidencing a
15 loan which has been insured under this part;

16 (5) enforce, pay, or compromise, any claim on,
17 or arising because of, any such insurance; and

18 (6) enforce, pay, compromise, waive, or release
19 any right, title, claim, lien, or demand, however ac-
20 quired, including any equity or any right or redemption.

21 (b) The Commissioner shall, with respect to the finan-
22 cial operations arising by reason of this part—

23 (1) prepare annually and submit a budget program
24 as provided for wholly owned Government corporations
25 by the Government Corporation Control Act; and

1 (2) maintain with respect to insurance under this
2 part an integral set of accounts, which shall be audited
3 annually by the General Accounting Office in accord-
4 ance with principles and procedures applicable to com-
5 mercial corporate transactions, as provided by section
6 105 of the Government Corporation Control Act, except
7 that the transactions of the Commissioner, including the
8 settlement of insurance claims and of claims for pay-
9 ments pursuant to section 226, and transactions related
10 thereto and vouchers approved by the Commissioner in
11 connection with such transactions, shall be final and con-
12 clusive upon all accounting and other officers of the
13 Government.

14 DEFINITIONS FOR REDUCED-INTEREST STUDENT LOAN

15 INSURANCE PROGRAM

16 SEC. 431. As used in this part:

17 (a) The term "eligible institution" means either—

18 (1) an institution of higher education; or

19 (2) a business or trade school, or technical in-
20 stitution or other technical or vocational school, in any
21 State, which (A) admits as regular students only
22 persons who have completed or left secondary school,
23 (B) is legally authorized to provide, and provides within
24 that State, a program of postsecondary vocational or
25 technical education designed to fit individuals for useful

1 employment in recognized occupations, and (C) is
2 accredited by a nationally recognized accrediting agency
3 or association listed by the Commissioner pursuant to
4 this clause: *Provided, however,* That if the Commissioner
5 determines that there is no nationally recognized accred-
6 iting agency or association qualified to accredit schools
7 of a particular category, he shall appoint an advisory
8 committee, composed of persons specially qualified to
9 evaluate training provided by schools of that category,
10 which shall prescribe the standards of content, scope, and
11 quality which must be met by those schools in order
12 for loans to students attending them to be insurable under
13 this part and shall also determine whether particular
14 schools meet those standards.

15 For the purpose of paragraph (2) the Commissioner shall
16 publish a list of nationally recognized accrediting agencies
17 or associations which he determines to be reliable authority
18 as to the quality of education or training offered.

19 (b) The term "eligible lender" means an eligible insti-
20 tution, or a financial or credit institution (including an
21 insurance company) which is subject to examination and
22 supervision by an agency of the United States or of any
23 State.

24 (c) The term "line of credit" means an arrangement
25 or agreement between the lender and the borrower whereby

1 a loan is paid out by the lender to the borrower in annual
2 installments, or whereby the lender agrees to make, in
3 addition to the initial loan, additional loans in subsequent
4 years.

5 PART C—COLLEGE WORK-STUDY PROGRAM EXTENSION
6 AND AMENDMENTS

7 TRANSFER OF AUTHORITY AND OTHER AMENDMENTS

8 SEC. 441. Effective July 1, 1965, part C of title I of
9 the Economic Opportunity Act of 1964 (Public Law 88-
10 452) is amended as follows:

11 (1) By striking out “Director” in the first sentence
12 of section 122 (a) and inserting in lieu thereof “Com-
13 missioner of Education (hereinafter in this part referred
14 to as the ‘Commissioner’) ”, and by striking out “Direc-
15 tor” wherever that word appears in the other provisions
16 of such part C and inserting in lieu thereof “Commis-
17 sioner”;

18 (2) By amending that part of section 121 that
19 follows the section designation to read as follows: “The
20 purpose of this part is to stimulate and promote the
21 part-time employment of students, particularly students
22 from low-income families, in institutions of higher educa-
23 tion who are in need of the earnings from such employ-
24 ment to pursue courses of study at such institutions.”;

25 (3) By redesignating clauses (2), (3), and (4),

1 of paragraph (c) of section 124 as clauses (1), (2),
2 and (3), and by striking out so much of such paragraph
3 as precedes such redesignated clauses and inserting in
4 lieu thereof the following: “(c) provide that in the
5 selection of students for employment under such work-
6 study program preference shall be given to students from
7 low-income families and that employment under such
8 work-study program shall be furnished only to a stu-
9 dent who”;

10 (4) By striking out “June 30, 1966,” in paragraph
11 (f) of section 124 and inserting in lieu thereof “June
12 30, 1967”.

13 APPROPRIATIONS AUTHORIZED

14 SEC. 442. There are authorized to be appropriated
15 \$129,000,000 for the fiscal year ending June 30, 1966, and
16 such sums as may be necessary for each of the four succeed-
17 ing years, to carry out the purposes of part C of title I of the
18 Economic Opportunity Act of 1964 (Public Law 88-452).
19 Any sums which prior to the enactment of this Act, were
20 appropriated for carrying out such part C of that title for
21 the fiscal year ending June 30, 1966, or were allocated from
22 an applicable appropriation for that purpose, and which have
23 not been expended prior to the date of the enactment of this
24 Act, shall be available to the Commissioner for carrying out
25 such part C.

1 CONFORMING AMENDMENT

2 SEC. 443. Part D of title I of the Economic Opportunity
3 Act of 1964 (Public Law 88-452) is amended to read as
4 follows:

5 "PART D—AUTHORIZATION OF APPROPRIATIONS

6 "SEC. 131. The Director shall carry out the programs
7 provided for in parts A and B of this title during the fiscal
8 year ending June 30, 1965, and each of the two succeeding
9 fiscal years, and he shall carry out the program provided for
10 in part C of this title during the fiscal year ending June 30,
11 1965. For this purpose there is hereby authorized to be
12 appropriated the sum of \$412,500,000 for the fiscal year
13 ending June 30, 1965; and for the fiscal year ending June
14 30, 1966, and the fiscal year ending June 30, 1967, such
15 sums may be appropriated as the Congress may hereafter
16 authorize by law."

17 PART D—EXTENSION OF NATIONAL DEFENSE STUDENT
18 LOAN PROGRAM

19 EXTENSION OF APPROPRIATION AUTHORIZATION

20 SEC. 461. The first sentence of section 201 of the
21 National Defense Education Act of 1958 is amended—

22 (1) by striking out "and" after "June 30, 1967,"
23 and inserting after "June 30, 1968," the following:
24 "\$225,000,000 for the fiscal year ending June 30, 1969,
25 \$250,000,000 for the fiscal year ending June 30, 1970,

1 and \$275,000,000 for the fiscal year ending June 30,
2 1971,"; and

3 (2) by striking out "and such sums for the fiscal
4 year ending June 30, 1969, and each of the next three
5 fiscal years as may be necessary to enable students who
6 have received loans for school years ending prior to
7 July 1, 1968, to continue or complete their education"
8 and inserting in lieu thereof "and such sums for the fiscal
9 year ending June 30, 1972, and each of the next three
10 fiscal years as may be necessary to enable students who
11 have received loans for school years ending prior to July
12 1, 1971, to continue or complete their education".

13 CONFORMING AMENDMENTS

14 SEC. 462. (a) Section 202 of such Act is amended by
15 striking out "1968" wherever it occurs therein and inserting
16 in lieu thereof "1971".

17 (b) Section 206 of such Act is amended by striking out
18 "1972" wherever it occurs therein and inserting in lieu there-
19 of "1975".

20 TITLE V—GENERAL PROVISIONS

21 DEFINITIONS

22 SEC. 501. As used in this Act—

23 (a) The term "institution of higher education" means
24 an educational institution in any State which (1) admits as
25 regular students only persons having a certificate of gradua-

1 tion from a school providing secondary education, or the
2 recognized equivalent of such a certificate, (2) is legally
3 authorized within such State to provide a program of educa-
4 tion beyond secondary education, (3) provides an educa-
5 tional program for which it awards a bachelor's degree or
6 provides not less than a two-year program which is ac-
7 ceptable for full credit toward such a degree, (4) is a
8 public or other nonprofit institution, and (5) is accredited
9 by a nationally recognized accrediting agency or association
10 or, if not so accredited, is an institution whose credits are
11 accepted, on transfer, by not less than three institutions
12 which are so accredited, for credit on the same basis as if
13 transferred from an institution so accredited. Such term
14 also includes any business school or technical institution
15 which meets the provisions of clauses (1), (2), (4), and
16 (5). For purposes of this subsection, the Commissioner
17 shall publish a list of nationally recognized accrediting
18 agencies or associations which he determines to be reliable
19 authority as to the quality of training offered.

20 (b) The term "State" includes, in addition to the sev-
21 eral States of the Union, the Commonwealth of Puerto Rico,
22 the District of Columbia, Guam, American Samoa, and the
23 Virgin Islands.

24 (c) The term "nonprofit" as applied to a school, agency,
25 organization, or institution means a school, agency, organiza-

tion, or institution owned and operated by one or more non-profit corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

(d) The term "secondary school" means a school which provides secondary education as determined under State law except that it does not include any education provided beyond grade 12.

(e) The term "Secretary" means the Secretary of Health, Education, and Welfare.

(f) The term "Commissioner" means the Commissioner of Education.

METHOD OF PAYMENT

SEC. 502. Payments under this Act to any individual or to any State or Federal agency, institution of higher education, or any other organization, pursuant to a grant, loan, or contract, may be made in installments, and in advance or by way of reimbursement, and, in the case of grants or loans, with necessary adjustments on account of overpayments or underpayments.

FEDERAL ADMINISTRATION

SEC. 503. (a) The Commissioner is authorized to delegate any of his functions under this Act, except the making of regulations, to any officer or employee of the Office of Education.

1 (b) In administering the titles of this Act for which
2 he is responsible, the Commissioner is authorized to utilize
3 the services and facilities of any agency of the Federal Gov-
4 ernment and of any other public or nonprofit agency or
5 institution, in accordance with agreements between the Sec-
6 retary and the head thereof.

7 FEDERAL CONTROL OF EDUCATION PROHIBITED

8 SEC. 504. Nothing contained in this Act shall be con-
9 strued to authorize any department, agency, officer, or em-
10 ployee of the United States to exercise any direction, super-
11 vision, or control over the curriculum, program of instruction,
12 administration, or personnel of any educational institution,
13 or over the selection of library resources by any educational
14 institution.

A BILL

To strengthen the educational resources of our colleges and universities and to provide financial assistance for students in post-secondary and higher education.

By Mr. MORSE, Mr. BARTLETT, Mr. BREWSTER,
Mr. CLARK, Mr. DOUGLAS, Mr. FONG, Mr.
GRUENING, Mr. HARTKE, Mr. KENNEDY of
Massachusetts, Mr. KENNEDY of New York,
Mr. LONG of Missouri, Mr. MANSFIELD, Mr.
MC CARTHY, Mr. MCGOVERN, Mr. MONDALE,
Mr. MOSS, Mr. MUSKIE, Mrs. NEUBERGER,
Mr. PROXMIRE, Mr. RANDOLPH, Mr. RUBINOFF,
Mr. WILLIAMS of New Jersey, Mr. YARBOROUGH,
and Mr. YOUNG of Ohio

JANUARY 19, 1965

Read twice and referred to the Committee on Labor
and Public Welfare

89TH CONGRESS
1ST SESSION

H. R. 9567

IN THE HOUSE OF REPRESENTATIVES

JUNE 30, 1965

Mrs. GREEN of Oregon introduced the following bill; which was referred to the
Committee on Education and Labor

A BILL

To strengthen the educational resources of our colleges and
universities and to provide financial assistance for students
in postsecondary and higher education.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Higher Education Act
4 of 1965".

5 TITLE I—COMMUNITY SERVICE PROGRAMS

6 DECLARATION OF PURPOSE; APPROPRIATIONS AUTHORIZED

7 SEC. 101. (a) The Congress finds that a greater involve-
8 ment of institutions of higher education in the solution of
9 problems brought about by increasing urbanization is essen-
10 tial to the rapid and effective solution of such problems. The

1 Congress also finds that an increase in the availability of
2 educational offerings by institutions of higher education for
3 persons in the community is necessary in order to insure that
4 the latest knowledge and techniques are brought to bear on
5 urban and suburban problems. The Congress further finds
6 that a strengthening of the resources of institutions of higher
7 education is desirable in order to facilitate a more effective
8 utilization of such resources in meeting the growing needs of
9 our urban and suburban communities. The Congress, there-
10 fore, declares that the purpose of this title is to provide a
11 program of support for institutions of higher education in
12 their establishing and maintaining community service pro-
13 grams designed to achieve these ends.

14 (b) There are authorized to be appropriated \$50,-
15 000,000 for the fiscal year ending June 30, 1966, to enable
16 the Commissioner to make grants under this title. For the
17 fiscal year ending June 30, 1967, and each of the three suc-
18 ceeding fiscal years, there may be appropriated, to enable
19 the Commissioner to make such grants, only such sums as
20 the Congress may hereafter authorize by law.

21 DEFINITION OF COMMUNITY SERVICE PROGRAM

22 SEC. 102. For purposes of this title, the term "commu-
23 nity service program" means—

24 (1) an educational program, activity, or service,
25 including a research program, which is specifically de-

signed to assist in the solution of urban or suburban problems, or

(2) an educational program, activity, or service which is designed to assist in the solution of community problems where the institution offering such program, activity, or service determines—

(A) that the proposed program, activity, or service is not otherwise available, and

(B) that the conduct of the program or performance of the activity or service is consistent with the institution's overall educational program and is of such a nature as is appropriate to the effective utilization of the institution's special resources and the competencies of its faculty.

Where such an educational program, activity, or service involves course offerings, such courses must be university extension or continuing education courses and must be—

(i) fully acceptable toward an academic degree, or

(ii) of college level as determined by the institution offering such courses,

except, in no event, shall such courses be of a frivolous nature.

ALLOTMENTS TO STATES

SEC. 103. (a) Of the sums appropriated pursuant to section 101 for each fiscal year, the Commissioner shall allot

1 \$25,000 each to Guam, American Samoa, the Common-
2 wealth of Puerto Rico, and the Virgin Islands and \$100,000
3 to each of the other States, and he shall allot to each State
4 an amount which bears the same ratio to the remainder of
5 such sums as the population of the State bears to the popula-
6 tion of all States.

7 (b) The amount of any State's allotment under sub-
8 section (a) for any fiscal year which the Commissioner de-
9 termines will not be required for such fiscal year for carry-
10 ing out the State plan (if any) approved under this title
11 shall be available for reallocation from time to time, on such
12 dates during such year as the Commissioner may fix, to other
13 States in proportion to the original allotments to such States
14 under such subsection for such year, but with such propor-
15 tionate amount for any of such States being reduced to the
16 extent it exceeds the sum the Commissioner estimates such
17 State needs and will be able to use for such year for carry-
18 ing out the State plan; and the total of such reductions shall
19 be similarly reallocated among the States whose proportionate
20 amounts were not so reduced. Any amount reallocated to a
21 State under this subsection during a year from funds appro-
22 priated pursuant to section 101 shall be deemed part of its
23 allotment under subsection (a) for such year.

24 (c) In accordance with regulations of the Commis-
25 sioner, any State may file with him a request that a specified

1 portion of its allotment under this title be added to the allot-
2 ment of another State under this title for the purpose of meet-
3 ing a portion of the Federal share of the cost of providing
4 community service programs under this title. If it is found
5 by the Commissioner that the programs with respect to which
6 the request is made would meet needs of the State making
7 the request and that use of the specified portion of such
8 State's allotment, as requested by it, would assist in carrying
9 out the purposes of this title, such portion of such State's al-
10 lotment shall be added to the allotment of the other State
11 under this title to be used for the purpose referred to above.

12 (d) The population of a State and of all the States
13 shall be determined by the Commissioner on the basis of the
14 most recent satisfactory data available from the Department
15 of Commerce.

16 **USES OF ALLOTTED FUNDS**

17 **SEC. 104.** A State's allotment under section 103 may
18 be used, in accordance with its State plan approved under
19 section 105 (b), to provide new, expanded, or improved
20 community service programs.

21 **STATE PLANS**

22 **SEC. 105. (a)** Any State desiring to receive its allot-
23 ment of Federal funds under this title shall designate or
24 create a State agency or institution which has special quali-
25 fications with respect to solving community problems and

1 which is broadly representative of institutions of higher edu-
2 cation in the State which are competent to offer community
3 service programs, and shall submit to the Commissioner
4 through the agency or institution so designated a State plan.
5 If a State desires to designate for the purposes of this section
6 an existing State agency or institution which does not meet
7 these requirements, it may do so if the agency or institution
8 takes such action as may be necessary to acquire such quali-
9 fications and assure participation of such institutions, or if it
10 designates or creates a State advisory council which meets
11 the requirements not met by the designated agency or in-
12 stitution to consult with the designated agency or institution
13 in the preparation of the State plan. A State plan sub-
14 mitted under this title shall be in such detail as the Com-
15 missioner deems necessary and shall—

16 (1) provide that the agency or institution so desig-
17 nated or created shall be the sole agency for adminis-
18 tration of the plan or for supervision of the administration
19 of the plan; and provide that such agency or institution
20 shall consult with any State advisory council required
21 to be created by this section with respect to policy mat-
22 ters arising in the administration of such plan;

23 (2) set forth a comprehensive, coordinated, and
24 statewide system of community service programs
25 under which funds paid to the State (including funds

1 paid to an institution pursuant to section 106 (b)) under
2 its allotments under section 103 will be expended solely
3 for community service programs which have been ap-
4 proved by the agency or institution administering the
5 plan;

6 (3) set forth the policies and procedures to be
7 followed in allocating Federal funds to institutions of
8 higher education in the State, which policies and pro-
9 cedures shall insure that due consideration will be
10 given—

11 (A) to the relative capacity and willingness
12 of particular institutions of higher education
13 (whether public or private) to provide effective
14 community service programs;

15 (B) to the availability of and need for com-
16 munity service programs among the population
17 within the State; and

18 (C) to the results of periodic evaluations of
19 the programs carried out under this title in the light
20 of information regarding current and anticipated
21 community problems in the State;

22 (4) set forth policies and procedures designed to
23 assure that Federal funds made available under this title
24 will be so used as not to supplant State or local funds, or
25 funds of institutions of higher education, but supplement

(6) provide for making such reports in such form and containing such information as the Commissioner may reasonably require to carry out his functions under this title, and for keeping such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports.

21 PAYMENTS

SEC. 106. (a) Payment under this title shall be made to those State agencies and institutions which administer plans approved under section 105 (b). Payments under this title from a State's allotment with respect to the cost of

1 developing and carrying out its State plan shall equal 75
2 per centum of such costs for the fiscal year ending June 30,
3 1966, and 50 per centum of such costs for the fiscal year
4 ending June 30, 1967, and each of the three succeeding
5 fiscal years, except that no payments for any fiscal year shall
6 be made to any State with respect to expenditures for devel-
7 oping and administering the State plan which exceed 5 per
8 centum of the costs for that year for which payment under
9 this subsection may be made to that State. In determining
10 the cost of developing and carrying out a State's plan, there
11 shall be excluded any cost with respect to which payments
12 were received under any other Federal program.

13 (b) Payments to a State under this title may be made in
14 installments and in advance or by way of reimbursement
15 with necessary adjustments on account of overpayments or
16 underpayments, and they may be paid directly to the State
17 or to one or more participating institutions of higher educa-
18 tion designated for this purpose by the State, or to both.

19 ADMINISTRATION OF STATE PLANS

20 SEC. 107. (a) The Commissioner shall not finally dis-
21 approve any State plan submitted under this title, or any
22 modification thereof, without first affording the State agency
23 or institution submitting the plan reasonable notice and
24 opportunity for a hearing.

(b) Whenever the Commissioner, after reasonable notice and opportunity for hearing to the State agency or institution administering a State plan approved under section 105 (b), finds that—

5 (1) the State plan has been so changed that
6 it no longer complies with the provisions of section
7 105 (a), or

8 (2) in the administration of the plan there is a
9 failure to comply substantially with any such provision,
10 the Commissioner shall notify the State agency or institution
11 that the State will not be regarded as eligible to participate
12 in the program under this title until he is satisfied that there
13 is no longer any such failure to comply.

14 JUDICIAL REVIEW

SEC. 108. (a) If any State is dissatisfied with the Commissioner's final action with respect to the approval of its State plan submitted under section 105 (a) or with his final action under section 107 (b), such State may, within sixty days after notice of such action, file with the United States court of appeals for the circuit in which the State is located a petition for review of that action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Commissioner. The Commissioner thereupon shall file in the court the record of the proceedings on which he based

1 his action, as provided in section 2112 of title 28, United
2 States Code.

3 (b) The findings of fact by the Commissioner, if sup-
4 ported by substantial evidence, shall be conclusive; but the
5 court, for good cause shown, may remand the case to the
6 Commissioner to take further evidence, and the Commis-
7 sioner may thereupon make new or modified findings of fact
8 and may modify his previous action, and shall certify to the
9 court the record of the further proceedings. Such new or
10 modified findings of fact shall likewise be conclusive if sup-
11 ported by substantial evidence.

12 (c) The court shall have jurisdiction to affirm the action
13 of the Commissioner or to set it aside, in whole or in part.
14 The judgment of the court shall be subject to review by the
15 Supreme Court of the United States upon certiorari or certifi-
16 cation as provided in section 1254 of title 28, United States
17 Code.

18 NATIONAL ADVISORY COMMITTEE ON COMMUNITY SERVICE
19 PROGRAMS

20 SEC. 109. (a) The Commissioner shall establish in the
21 Office of Education a National Advisory Committee on
22 Community Service Programs (hereinafter referred to
23 as the "Advisory Committee"), consisting of the Commis-
24 sioner, who shall be Chairman, one representative each of

1 the Departments of Agriculture, Commerce, Defense, Labor,
2 Interior, and State, of the Housing and Home Finance
3 Agency and the Office of Economic Opportunity, and of such
4 other Federal agencies having extension education responsi-
5 bilities as the Commissioner may designate, and six members
6 appointed, for staggered terms and without regard to the
7 civil service laws, by the Commissioner with the approval of
8 the Secretary of Health, Education, and Welfare. Such six
9 members shall, to the extent possible, include persons knowl-
10 edgeable in the field of extension and continuing education,
11 State and local officials and other persons having special
12 knowledge, experience, or qualification with respect to com-
13 munity problems, and persons representative of the general
14 public. The Advisory Committee shall meet at the call of
15 the Chairman but not less often than twice a year.

16 (b) The Advisory Committee shall advise the Commis-
17 sioner in the preparation of general regulations and with
18 respect to policy matters arising in the administration of this
19 title, including policies and procedures governing the ap-
20 proval of State plans under section 105 (b) .

21 (c) Members of the Advisory Committee who are not
22 regular full-time employees of the United States shall, while
23 serving on the business of the Advisory Committee, be en-
24 titled to receive compensation at rates fixed by the Secre-
25 tary, but not exceeding \$100 per day, including travel time;

1 and, while so serving away from their homes or regular
2 places of business, members may be allowed travel expenses,
3 including per diem in lieu of subsistence, as authorized by
4 section 5 of the Administrative Expenses Act of 1946 (5
5 U.S.C. 73b-2) for persons in the Government service em-
6 ployed intermittently.

7 REVIEW OF COMMUNITY SERVICE PROGRAMS AND OF THE
8 PROVISIONS OF THIS TITLE

9 SEC. 110. (a) The Secretary shall, during 1968, ap-
10 point a Review Council on Community Service Programs
11 (hereafter in this title referred to as the "Council") for
12 the purpose of reviewing the administration of community
13 service programs for which funds are appropriated pursuant
14 to this title and making recommendations for the improve-
15 ment of that administration, and for purpose of reviewing the
16 effectiveness of and making recommendations with respect
17 to these community service programs and with respect to
18 this title.

19 (b) The Council shall be appointed by the Secretary
20 without regard to the civil service laws and shall consist of
21 twelve persons who shall, to the extent possible, include per-
22 sons knowledgeable in the field of extension and continuing
23 education, State and local officials having special knowledge,
24 experience, or qualification with respect to community prob-
25 lems, and persons representative of the general public.

1 (c) The Secretary is authorized to engage such technical
2 assistance as may be required to carry out the functions
3 of the Council, and the Secretary shall, in addition, make
4 available to the Council such secretarial, clerical, and other
5 assistance and such pertinent data prepared by the Depart-
6 ment of Health, Education, and Welfare as it may require
7 to carry out its functions.

8 (d) The Council shall make a report of its findings and
9 recommendations (including recommendations for changes
10 in the provisions of this title) to the Secretary, such report
11 to be submitted not later than March 31, 1969, after which
12 date such Council shall cease to exist. The Secretary shall
13 transmit such report to the President for transmittal to the
14 Congress together with his comments and recommendations.

15 (e) Members of the Council who are not regular full-
16 time employees of the United States shall, while serving on
17 business of the Council, be entitled to receive compensation
18 at rates fixed by the Secretary, but not exceeding \$100 per
19 day, including travel time; and while so serving away from
20 their homes or regular places of business, members may be
21 allowed travel expenses, including per diem in lieu of sub-
22 sistence, as authorized by section 5 of the Administrative
23 Expenses Act of 1946 (5 U.S.C. 73b-2) for persons in
24 Government service employed intermittently.

RELATIONSHIP TO OTHER EXTENSION PROGRAMS

SEC. 111. Nothing in this title shall modify authorities under the Act of February 23, 1917 (Smith-Hughes Vocational Education Act), as amended (20 U.S.C. 11-15, 16-28); the Vocational Education Act of 1946, as amended (20 U.S.C. 15i-15m, 15o-15q, 15aa-15jj, and 15aaa-15ggg); the Vocational Education Act of 1963 (20 U.S.C. 35-35n); title VIII of the Housing Act of 1964 (Public Law 88-560); or the Act of May 8, 1914 (Smith-Lever Act), as amended (7 U.S.C. 341-348).

TITLE II—COLLEGE LIBRARY ASSISTANCE AND

LIBRARY TRAINING AND RESEARCH

PART A—COLLEGE LIBRARY RESOURCES

APPROPRIATIONS AUTHORIZED

SEC. 201. There are authorized to be appropriated \$50,000,000 for the fiscal year ending June 30, 1966, to enable the Commissioner to make grants under this part to institutions of higher education to assist and encourage such institutions in the acquisition for library purposes of books, periodicals, documents, magnetic tapes, phonograph records, audiovisual materials, and other related library materials (including necessary binding). For the fiscal year ending June 30, 1967, and each of the three succeeding fiscal years, there may be appropriated, to enable the Commis-

1 sioner to make such grants, only such sums as the Congress
2 may hereafter authorize by law.

3 BASIC GRANTS

4 SEC. 202. From 75 per centum of the sums appropriated
5 pursuant to section 201 for any fiscal year, the Commissioner
6 is authorized to make basic grants for the purposes set forth
7 in that section to institutions of higher education and com-
8 binations of such institutions. The amount of a basic grant
9 shall not exceed \$5,000 for each such institution, and a
10 basic grant under this subsection may be made only if the
11 application therefor is approved by the Commissioner upon
12 his determination that the application (whether by an in-
13 dividual institution or a combination of institutions) —

14 (a) provides satisfactory assurance that the appli-
15 cant will expend during the fiscal year for which the
16 grant is requested (from funds other than funds received
17 under this part) for all library purposes (exclusive of
18 construction) (1) an amount not less than the average
19 annual amount it expended for such purposes during
20 the two-year period ending June 30, 1965, and (2) an
21 amount (from such other sources) equal to not less than
22 the amount of such grant;

23 (b) provides satisfactory assurance that the appli-
24 cant will expend during the fiscal year for which the
25 grant is requested (from funds other than funds received

under this part) for books, periodicals, documents, magnetic tapes, phonograph records, audiovisual materials, and other related materials (including necessary binding) for library purposes an amount not less than the average annual amount it expended for such materials during the two-year period ending June 30, 1965;

(c) provides for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the applicant under this section; and

(d) provides for making such reports, in such form and containing such information, as the Commissioner may require to carry out his functions under this section, and for keeping such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports.

SUPPLEMENTAL GRANTS

SEC. 203. (a) From the remainder of such 75 per centum of the sums appropriated pursuant to section 201 for any fiscal year, the Commissioner is authorized to make supplemental grants for the purposes set forth in that section to institutions of higher education and combinations of such institutions. The amount of a supplemental grant shall not exceed \$10 for each full-time student (including the full-

1 time equivalent of the number of part-time students) en-
2 rolled in each such institution, as determined pursuant to
3 regulations of the Commissioner. A supplemental grant
4 may be made only upon application therefor, in such form
5 and containing such information as the Commissioner may
6 require, which application shall—

7 (1) meet the application requirements set forth in
8 section 202 except for the matching requirement set
9 forth in paragraph (a) (2) of that section;

10 (2) describe the size and quality of the library
11 resources of the applicant in relation to its present en-
12 rollment and any expected increase in its enrollment;

13 (3) set forth any special circumstances which are
14 impeding or will impede the proper development of its
15 library resources; and

16 (4) provide a general description of how a supple-
17 mental grant would be used to improve the size or
18 quality of its library resources.

19 (b) The Commissioner shall approve applications for
20 supplemental grants on the basis of basic criteria prescribed
21 in regulations and developed after consultation with the
22 Council created under section 205. Such basic criteria shall
23 be such as will best tend to achieve the objectives of this part
24 and they may take into consideration factors such as the size

1 and age of the library collection, student enrollment, and
2 endowment and other financial resources.

3 SPECIAL PURPOSE GRANTS

4 SEC. 204. Twenty-five per centum of the sums appro-
5 priated pursuant to section 201 for each fiscal year, plus any
6 part of the remainder of such sums as the Commissioner
7 determines will not be needed for making grants under sec-
8 tions 202 and 203, shall be used by the Commissioner to
9 make special grants (a) to institutions of higher education
10 which demonstrate a special need for additional library re-
11 sources and which demonstrate that such additional library
12 resources will make a substantial contribution to the quality
13 of their educational resources, (b) to institutions of higher
14 education to meet special national or regional needs in the
15 library and information sciences, and (c) to combinations of
16 institutions of higher education which need special assistance
17 in establishing joint-use facilities. Grants under this section
18 may be used only for books, periodicals, documents, magnetic
19 tapes, phonograph records, audiovisual materials, and other
20 related library materials (including necessary binding).

21 ADVISORY COUNCIL ON COLLEGE LIBRARY RESOURCES

22 SEC. 205. (a) The Commissioner shall establish in the
23 Office of Education an Advisory Council on College Library
24 Resources consisting of the Commissioner, who shall be

1 Chairman, and eight members appointed, without regard to
2 the civil service laws, by the Commissioner with the ap-
3 proval of the Secretary.

4 (b) The Advisory Council shall advise the Commis-
5 sioner with respect to establishing criteria for the making of
6 supplemental grants under section 203 and the making of
7 special purpose grants under section 204. The Commis-
8 sioner may appoint such special advisory and technical ex-
9 perts and consultants as may be useful in carrying out the
10 functions of the Advisory Council.

11 (c) Members of the Advisory Council, while serving on
12 business of the Advisory Council, shall receive compensation
13 at a rate to be fixed by the Secretary, but not exceeding
14 \$100 per day, including travel time; and, while so serving
15 away from their homes or regular places of business, they
16 may be allowed travel expenses, including per diem in lieu
17 of subsistence, as authorized by section 5 of the Administra-
18 tive Expenses Act of 1946 (5 U.S.C. 73b-2) for persons
19 in the Government service employed intermittently.

20 ACCREDITATION REQUIREMENT FOR PURPOSES OF THIS

21 PART

22 SEC. 206. For the purposes of this part, an educational
23 institution shall be deemed to have been accredited by a
24 nationally recognized accrediting agency or association if the
25 Commissioner determines that there is satisfactory assurance

1 that upon acquisition of the library resources with respect to
2 which assistance under this part is sought, or upon acquisition
3 of those resources and other library resources planned
4 to be acquired within a reasonable time, the institution will
5 meet the accreditation standards of such agency or association.
6 ciation.

7 LIMITATION

8 SEC. 207. No grant may be made under this part for
9 books, periodicals, documents, or other related materials to
10 be used for sectarian instruction or religious worship, or
11 primarily in connection with any part of the program of a
12 school or department of divinity. For purposes of this section,
13 the term "school or department of divinity" means an
14 institution or a department or branch of an institution whose
15 program is specifically for the education of students to prepare
16 them to become ministers of religion or to enter upon
17 some other religious vocation, or to prepare them to teach
18 theological subjects.

19 CONSULTATION WITH STATE AGENCY

20 SEC. 208. Each institution of higher education which
21 receives a grant under this part shall consult with respect to
22 its activities under this part with the State agency (if any)
23 which is concerned with the educational activities of all institutions
24 of higher education in the State in which the recipient
25 institution is located.

1 PART B—LIBRARY TRAINING AND RESEARCH

2 APPROPRIATIONS AUTHORIZED

3 SEC. 221. There are authorized to be appropriated
4 \$15,000,000 for the fiscal year ending June 30, 1966, for
5 the purpose of carrying out this part. For the fiscal year
6 ending June 30, 1967, and each of the three succeeding fiscal
7 years, there may be appropriated for such purpose only such
8 sums as the Congress may hereafter authorize by law.

9 DEFINITION OF "LIBRARIANSHIP"

10 SEC. 222. For the purposes of this part the term "li-
11 brarianship" means the principles and practices of the library
12 and information sciences, including the acquisition, organiza-
13 tion, storage, retrieval, and dissemination of information, and
14 reference and research use of library and other information
15 resources.

16 GRANTS FOR TRAINING IN LIBRARIANSHIP

17 SEC. 223. (a) The Commissioner is authorized to make
18 grants to institutions of higher education to assist them in
19 training persons in librarianship. Such grants may be
20 used by such institutions to assist in covering the cost of
21 courses of training or study for such persons, and for estab-
22 lishing and maintaining fellowships or traineeships with sti-
23 pends (including allowances for traveling, subsistence, and

1 other expenses) for fellows and others undergoing training
2 and their dependents not in excess of such maximum amounts
3 as may be prescribed by the Commissioner.

4 (b) The Commissioner may make a grant to an institu-
5 tion of higher education only upon application by the institu-
6 tion and only upon his finding that such program will sub-
7 stantially further the objective of increasing the opportunities
8 throughout the Nation for training in librarianship.

9 RESEARCH AND DEMONSTRATIONS RELATING TO LIBRARIES
10 AND THE TRAINING OF LIBRARY PERSONNEL

11 SEC. 224. (a) The Commissioner is authorized to make
12 grants to institutions of higher education and other public
13 or private agencies, institutions, and organizations, for
14 research and demonstration projects relating to the improve-
15 ment of libraries or the improvement of training in librarian-
16 ship, including the development of new techniques, systems,
17 and equipment for processing, storing, and distributing
18 information, and for the dissemination of information derived
19 from such research and demonstrations, and, without regard
20 to section 3709 of the Revised Statutes (41 U.S.C. 5), to
21 provide by contracts with them for the conduct of such
22 activities; except that no such grant may be made to a

1 private agency, organization, or institution other than a
2 nonprofit one.

3 (b) The Commissioner is authorized to appoint a special
4 advisory committee of not more than nine members to advise
5 him on matters of general policy concerning research and
6 demonstration projects relating to the improvement of
7 libraries and the improvement of training in librarianship,
8 or concerning special services necessary thereto or special
9 problems involved therein.

10 (c) Members of the committee appointed under this
11 section who are not regular full-time employees of the United
12 States shall, while serving on the business of the committee,
13 be entitled to receive compensation at rates fixed by the
14 Commissioner, but not in excess of \$100 per diem, including
15 travel time; and they may, while so serving away from their
16 homes or regular places of business, be allowed travel ex-
17 penses, including per diem in lieu of subsistence, as authorized
18 by section 5 of the Administrative Expenses Act of 1946
19 (5 U.S.C. 73b-2) for persons in the Government service
20 employed intermittently.

21 REPEALER

22 SEC. 225. Effective July 1, 1965, section 1101 of the
23 National Defense Education Act of 1958 is amended by

1 adding the word “or” at the end of clause (2), by striking
2 out clause (3), and by renumbering clause (4) as clause
3 (3).

4 PART C—STRENGTHENING COLLEGE AND RESEARCH
5 LIBRARY RESOURCES

6 APPROPRIATIONS AUTHORIZED

7 SEC. 231. There are hereby authorized to be appro-
8 priated \$5,000,000 for the fiscal year ending June 30, 1966,
9 to enable the Commissioner to transfer funds to the Librarian
10 of Congress for the purpose of—

11 (a) acquiring, so far as possible, all library mate-
12 rials currently published throughout the world which are
13 of value to scholarship; and

14 (b) providing catalog information for such mate-
15 rials promptly after receipt, and using for exchange and
16 other purposes such of these materials as are not needed
17 for the Library of Congress collection.

18 For the fiscal year ending June 30, 1967, and each of the
19 three succeeding fiscal years, there may be appropriated,
20 to enable the Commissioner to transfer funds to the Librarian
21 of Congress for such purpose, only such sums as the Congress
22 may hereafter authorize by law.

1 TITLE III—STRENGTHENING DEVELOPING
2 INSTITUTIONS

3 STATEMENT OF PURPOSE, AND APPROPRIATIONS

4 AUTHORIZED

5 SEC. 301. (a) The purpose of this title is to assist in
6 raising the academic quality of colleges which have the
7 desire and potential to make a substantial contribution to the
8 higher education resources of our Nation but which for finan-
9 cial and other reasons are struggling for survival and are
10 isolated from the main currents of academic life, and to do
11 so by enabling the Commissioner to establish a national
12 teaching fellow program and to encourage and assist in the
13 establishment of cooperative arrangements under which these
14 colleges may draw on the talent and experience of our finest
15 colleges and universities, and on the educational resources
16 of business and industry, in their effort to improve their
17 academic quality.

(b) There are authorized to be appropriated \$30,000,-
000 for the fiscal year ending June 30, 1966, to carry out
the provisions of this title. For the fiscal year ending June
30, 1967, and each of the three succeeding fiscal years, there
may be appropriated, to carry out such provisions, only such
sums as the Congress may hereafter authorize by law.

1 DEFINITION OF "DEVELOPING INSTITUTION"

2 SEC. 302. As used in this title the term "developing
3 institution" means a public or nonprofit educational institu-
4 tion in any State which—

5 (a) admits as regular students only persons having
6 a certificate of graduation from a school providing sec-
7 ondary education, or the recognized equivalent of such a
8 certificate;

9 (b) is legally authorized to provide, and provides
10 within the State, an educational program for which it
11 awards a bachelor's degree;

12 (c) will, by the end of the academic year for which
13 it seeks assistance under this title, have awarded a bache-
14 lor's degree for six consecutive academic years;

15 (d) is accredited by a nationally recognized accred-
16 iting agency or association determined by the Com-
17 missioner to be reliable authority as to the quality of
18 training offered or is, according to such an agency or
19 association, making reasonable progress toward accredi-
20 tation;

21 (e) is making a reasonable effort to improve the
22 quality of its teaching and administrative staffs and of
23 its student services;

1 (f) is seriously handicapped in its efforts to improve
2 such staffs and services by lack of financial resources
3 and a shortage of qualified professional personnel;

4 (g) meets such other requirements as the Com-
5 missioner may prescribe by regulation; and

6 (h) is not an institution, or department or branch
7 of an institution, whose program is specifically for the
8 education of students to prepare them to become min-
9 isters of religion or to enter upon some other religious
10 vocation or to prepare them to teach theological subjects.

11 ADVISORY COUNCIL ON DEVELOPING INSTITUTIONS

12 SEC. 303. (a) The Commissioner shall establish in the
13 Office of Education an Advisory Council on Developing
14 Institutions (hereinafter in this title referred to as the
15 “Council”), consisting of the Commissioner, who shall be
16 Chairman, one representative each of such Federal agencies
17 having responsibilities with respect to developing institu-
18 tions as the Commissioner may designate, and eight mem-
19 bers appointed, without regard to the civil service laws,
20 by the Commissioner with the approval of the Secretary.

21 (b) The Council shall advise the Commissioner with
22 respect to policy matters arising in the administration of
23 this title and in particular shall assist the Commissioner
24 in identifying those developing institutions through which
25 the purposes of this title can best be achieved and in estab-

1 lishing priorities for use in approving applications under
2 this title. The Commissioner may appoint such special
3 advisory and technical experts and consultants as may be
4 useful in carrying out the functions of the Council.

5 (c) Members of the Council who are not otherwise
6 full-time employees of the United States shall, while serv-
7 ing on business of the Council, receive compensation at
8 a rate to be fixed by the Secretary, but not exceeding
9 \$100 per day, including travel time; and, while so serving
10 away from their homes or regular places of business, mem-
11 bers may be allowed travel expenses, including per diem
12 in lieu of subsistence, as authorized by section 5 of the
13 Administrative Expenses Act of 1946 (5 U.S.C. 73b-2)
14 for persons in the Government service employed inter-
15 mittently.

16 GRANTS FOR COOPERATIVE AGREEMENTS TO STRENGTHEN
17 DEVELOPING INSTITUTIONS

18 SEC. 304. (a) The Commissioner is authorized to make
19 grants to developing institutions and other colleges and uni-
20 versities to pay part of the cost of planning, developing, and
21 carrying out cooperative arrangements which show promise
22 as effective measures for strengthening the academic pro-
23 grams of developing institutions. Such cooperative arrange-
24 ments may be between developing institutions, between de-
25 veloping institutions and other colleges and universities, and

1 between developing institutions and organizations, agencies,
2 and business entities. Grants under this section may be used
3 for projects and activities such as—

4 (1) exchange of faculty or students, including ar-
5 rangements for bringing visiting scholars to developing
6 institutions;

7 (2) faculty improvement programs utilizing train-
8 ing, education, internships, research participation, and
9 other means;

10 (3) introduction of new curriculums and curricular
11 materials;

12 (4) development and operation of cooperative edu-
13 cation programs involving alternate periods of academic
14 study and business or public employment;

15 (5) joint use of facilities such as libraries or labora-
16 tories, including necessary books, materials, and equip-
17 ment; and

18 (6) other arrangements which offer promise of
19 strengthening the academic programs of developing in-
20 stitutions.

21 (b) A grant may be made under this section only upon
22 application to the Commissioner at such time or times and
23 containing such information as he deems necessary. The
24 Commissioner shall not approve an application unless it—

25 (1) sets forth a program for carrying out one or

1 more projects or activities which meet the requirements
2 of subsection (a) and provides for such methods of ad-
3 ministration as are necessary for the proper and efficient
4 operation of the program;

5 (2) sets forth policies and procedures which assure
6 that Federal funds made available under this section
7 for any fiscal year will be so used as to supplement and,
8 to the extent practical, increase the level of funds that
9 would, in the absence of such Federal funds, be made
10 available for purposes which meet the requirements of
11 subsection (a), and in no case supplant such funds;

12 (3) provides for such fiscal control and fund ac-
13 counting procedures as may be necessary to assure
14 proper disbursement of and accounting for Federal funds
15 paid to the applicant under this section; and

16 (4) provides for making such reports, in such form
17 and containing such information, as the Commissioner
18 may require to carry out his functions under this title,
19 and for keeping such records and for affording such
20 access thereto as the Commissioner may find necessary
21 to assure the corrections and verification of such reports.

22 (c) The Commissioner shall, after consultation with
23 the Council, establish criteria as to eligible expenditures for
24 which grants made under this section may be used, which
25 criteria shall be so designed as to prevent the use of such

1 grants for expenditures not necessary to the achievement of
2 the purposes of this part.

3 NATIONAL TEACHING FELLOWSHIPS

4 SEC. 305. (a) The Commissioner is authorized to award
5 fellowships under this section to highly qualified graduate
6 students and junior members of the faculty of colleges and
7 universities, to encourage such individuals to teach at de-
8 veloping institutions. The Commissioner shall award a fel-
9 lowship to an individual for teaching at a developing institu-
10 tion only upon application by an institution approved for this
11 purpose by the Commissioner and only upon a finding by the
12 Commissioner that the program of teaching set forth in the
13 application is reasonable in the light of the qualifications of
14 the teaching fellow and of the educational needs of the
15 applicant.

16 (b) Fellowships may be awarded under this section for
17 such period of teaching as the Commissioner may determine,
18 but such period shall not exceed two academic years or ex-
19 tend beyond June 30, 1970. Each person awarded a fel-
20 lowship under the provisions of this section shall receive a
21 stipend for each academic year of teaching of not more than
22 \$6,500 as determined by the Commissioner upon the advice
23 of the Council, plus an additional amount of \$400 for each
24 such year for each of his dependents.

TITLE IV—STUDENT ASSISTANCE

PART A—EDUCATIONAL OPPORTUNITY GRANTS

AUTHORIZATION OF APPROPRIATIONS

SEC. 401. (a) The first sentence of section 201 of the National Defense Education Act of 1958 is amended (1) by inserting after “low-interest loans” the following: “and (except in the case of a school which does not meet the requirements of section 103 (b) (5)) initial year awards of educational opportunity grants”, (2) by striking out “\$179,300,000” and inserting in lieu thereof “\$253,300,000”, (3) by striking out “\$190,000,000” and inserting in lieu thereof “\$266,600,000”, and (4) by striking out “\$195,000,000” and inserting in lieu thereof “\$280,000,000”.

(b) Such section is further amended by inserting after the first sentence thereof the following new sentence: “There are further authorized to be appropriated for the fiscal year ending June 30, 1967, and each of the six succeeding fiscal years, such sums as may be necessary to make contributions to student loan funds equal to the amount necessary to enable institutions of higher education to make educational opportunity grants provided for under section 206 to students for academic years other than the initial year for which they are awarded the grant.”

1

ALLOTMENTS

2

SEC. 402. Subsections (a) and (b) of section 202 of
such Act are each amended by inserting after “pursuant to”
the following: “the first sentence of”.

5

FEDERAL CAPITAL CONTRIBUTIONS

6

SEC. 403. (a) The first and second sentences of section
203 of such Act are amended by inserting after “allotment of
such State” each time it appears the following: “under sec-
tion 202”.

10

(b) Such section is further amended by designating the
first three sentences thereof as subsection (a), by design-
nating the third sentence thereof as subsection (c) and by
inserting after subsection (a) the following new subsection:

14

“(b) From the sums appropriated pursuant to the au-
thorization contained in the second sentence of section 201
for a fiscal year, the Commissioner shall make a capital
contribution to each institution with which he has an agree-
ment under this title equal to the amount such institution
determines that it needs in order to make educational op-
portunity grants, as provided in this title, to students who
have received such a grant for one or more preceding aca-
demic years, except that, if the sums so appropriated are
less than the amount necessary to enable all such institutions
to receive the amount they determine they need for such
grants, the Commissioner shall reduce the amount of each

1 institution's capital contribution under this subsection pro
2 rata."

3 CONDITIONS OF AGREEMENTS

4 SEC. 404. (a) Clause (B) of paragraph (2) of section
5 204 of such Act is amended to read as follows: "(B) an
6 amount, contributed by such institution, equal to not less
7 than one-ninth of 75 per centum of the Federal capital con-
8 tributions made under section 203 (a) ,".

9 (b) Paragraph (3) of such section is amended by
10 inserting after "only for loans" the following: "and (except
11 in the case of a school which does not meet the requirements
12 of section 103 (b) (5)) educational opportunity grants".

13 (c) Section 204 is further amended by inserting "(a) "
14 after "SEC. 204." and by adding at the end thereof the fol-
15 lowing new subsection:

16 "(b) Where an institution uses funds under this title
17 for the awarding of educational opportunity grants such
18 agreement shall—

19 "(1) provide that educational opportunity grants
20 will be made only in accordance with section 206 to
21 students who are or will be pursuing their course of study
22 on a full-time basis,

23 "(2) provide that the institution, in cooperation
24 with other institutions of higher education where appro-
25 priate, will make vigorous efforts to identify qualified

1 youths of exceptional financial need and to encourage
2 them to continue their education beyond secondary school
3 through programs and activities such as—

4 “(A) establishing or strengthening close work-
5 ing relationships with secondary school principals
6 and guidance and counseling personnel with a view
7 toward motivating students to complete secondary
8 school and pursue post-secondary-school educational
9 opportunities, and

10 “(B) making, to the extent feasible, condi-
11 tional commitments for educational opportunity
12 grants to qualified secondary school students with
13 special emphasis on students enrolled in grade 11 or
14 lower grades who show evidences of academic or
15 creative promise;

16 “(3) provide assurance that the institution will
17 continue to spend in its own scholarship and student aid
18 program, from sources other than funds received under
19 this title, not less than the average expenditure per year
20 made for that purpose during the most recent period of
21 three fiscal years preceding the first fiscal year during
22 which grants are to be made under the agreement.”

23 EDUCATIONAL OPPORTUNITY GRANTS

24 SEC. 405. Title II of such Act is amended by redesign-
25 nating sections 206, 207, 208, and 209 as sections 209, 210.

1 211, and 212, respectively, and by inserting after section
2 205 the following new sections:

3 “EDUCATIONAL OPPORTUNITY GRANTS

4 “SEC. 206. (a) Educational opportunity grants made
5 by institutions of higher education from student loan funds
6 established pursuant to an agreement under this title shall be
7 made only to students who the institution of higher education
8 determines (1) show evidence of academic or creative prom-
9 ise and capability of maintaining good standing in their
10 course of study, (2) are of exceptional financial need,
11 (3) are eligible for a loan from such fund, and (4) would
12 not, but for an educational opportunity grant, be financially
13 able to pursue a course of study at such institution of higher
14 education.

15 “(b) The duration of an educational opportunity grant
16 awarded under this title shall be the period required for
17 completion by the recipient of his undergraduate course of
18 study at the institution of higher education from which he
19 received the grant award, except that such period shall not
20 exceed four academic years, less any such period with re-
21 spect to which the recipient has previously received pay-
22 ments under this title pursuant to a prior educational oppor-
23 tunity grant (whether made by the same or another in-
24 stitution).

1 “(c) An institution of higher education which awards
2 an educational opportunity grant to a student under this title
3 shall, for the duration of the educational opportunity grant,
4 pay to that student for each academic year during which he
5 is in need of grant assistance to pursue a course of study at
6 the institution, an amount determined by the institution for
7 such student with respect to that year, which amount shall not
8 exceed the lesser of \$800 or one-half of the amount of student
9 financial aid (including assistance under this title, but exclud-
10 ing assistance from work-study programs) provided such
11 student by such institution as determined in accordance with
12 regulation of the Commissioner. If the amount of the pay-
13 ment determined under the preceding sentence for an aca-
14 demic year is less than \$200 for a student, no payment shall
15 be made under this title to that student for that year. The
16 Commissioner shall, subject to the foregoing limitations, pre-
17 scribe for the guidance of participating institutions basic
18 criteria or schedules (or both) for the determination of the
19 amount of any such educational opportunity grant, taking
20 into account the objective of limiting grant aid under this
21 title to students of exceptional financial need and such other
22 factors, including the number of dependents in the family,
23 as the Commissioner may deem relevant.

1 “LIMITATIONS ON GRANTS

2 “SEC. 207. The aggregate amount of educational oppor-
3 tunity grants made by an institution of higher education in
4 a fiscal year to undergraduate students who have not received
5 such a grant for any preceding fiscal year may not exceed
6 25 per centum of the Federal capital contribution made to
7 the student loan fund for that fiscal year from funds allotted
8 to such State under the first sentence of section 202 (a) or
9 reallotted to such State under the third sentence of section
10 203 (a).

11 “CONTRACTS TO ENCOURAGE FULL UTILIZATION OF EDU-
12 CATIONAL TALENT

13 “SEC. 208. (a) To assist in achieving the purposes of
14 this title the Commissioner is authorized (without regard to
15 section 3709 of the Revised Statutes (41 U.S.C. 5)), to
16 enter into contracts, not to exceed \$100,000 per contract per
17 year, with State and local educational agencies and other
18 public or nonprofit organizations and institutions for the
19 purpose of—

20 “ (1) identifying qualified youths of exceptional
21 financial need and encouraging them to complete second-
22 ary school and undertake postsecondary educational
23 training,

1 “(2) publicizing existing forms of student financial
2 aid, including aid furnished under this title, or

3 “(3) encouraging secondary school or college drop-
4 outs of demonstrated aptitude to reenter educational
5 programs, including postsecondary school programs.

6 “(b) There are hereby authorized to be appropriated
7 such sums as may be necessary to carry out this section.”

8 DISTRIBUTIONS FROM STUDENT LOAN FUNDS

9 SEC. 406. Section 209 of such Act (as redesignated by
10 section 405 of this Act) is amended by adding at the end
11 thereof the following new subsection:

12 “(d) In computing the amount of the Federal capital
13 contribution to a student loan fund for the purposes of this
14 section there shall be deducted from the Federal capital con-
15 tributions made to such fund under section 203 an amount
16 equal to the total of educational opportunity grants made
17 from such fund.”

18 AMENDMENTS TO DEFINITIONS

19 SEC. 407. (a) Section 103 (b) (5) of such Act is
20 amended to read as follows:

21 “(b) The term ‘institution of higher education’ means
22 an educational institution in any State which (1) admits as
23 regular students only persons having a certificate of gradua-

tion from a school providing secondary education, or the
recognized equivalent of such certificate, (2) is legally
authorized within such State to provide a program of educa-
tion beyond secondary education, (3) provides an educa-
tional program for which it awards a bachelor's degree or
provides not less than a two-year program which is accept-
able for full credit toward such a degree, (4) is a public
or other nonprofit institution, and (5) is accredited by a
nationally recognized accrediting agency or association ap-
proved by the Commissioner for this purpose or, if not so
accredited, (A) is an institution with respect to which the
Commissioner has determined that there is satisfactory assur-
ance, considering the resources available to the institution,
the period of time, if any, during which it has operated, the
effort it is making to meet accreditation standards, and the
purpose for which this determination is being made, that the
institution will meet the accreditation standards of such an
agency or association within a reasonable time, or (B) is an
institution whose credits are accepted on transfer by not less
than three institutions which are so accredited, for credit on
the same basis as if transferred from an institution so ac-
credited. For purposes of title II, such term includes any

1 school of nursing as defined in subsection (1) of this section,
2 and also includes any school which provides not less than a
3 one-year program of training to prepare students for gainful
4 employment in a recognized occupation and which meets
5 the provisions of clauses (1), (2), (4), and (5). If the
6 Commissioner determines that a particular category of such
7 schools does not meet the requirements of clause (5) because
8 there is no nationally recognized accrediting agency or asso-
9 ciation qualified to accredit schools in such category, he shall,
10 pending the establishment of such an accrediting agency or
11 association, appoint an advisory committee, composed of per-
12 sons specially qualified to evaluate training provided by
13 schools in such category, which shall (i) prescribe the stand-
14 ards of content, scope, and quality which must be met in
15 order to qualify schools in such category to participate in the
16 student loan program under title II, and (ii) determine
17 whether particular schools not meeting the requirements of
18 clause (5) meet those standards. For purposes of this sub-
19 section, the Commission shall publish a list of nationally
20 recognized accrediting agencies which he determines to be
21 reliable authority as to the quality of training offered.”

1 PART B—FEDERAL, STATE, AND PRIVATE PROGRAMS OF
2 LOW-INTEREST INSURED LOANS TO STUDENTS IN IN-
3 STITUTIONS OF HIGHER EDUCATION

4 STATEMENT OF PURPOSE AND APPROPRIATIONS

5 AUTHORIZED

6 SEC. 421. (a) The purpose of this part is to enable
7 the Commissioner (1) to encourage States and nonprofit
8 private institutions and organizations to establish adequate
9 loan insurance programs for students in eligible institutions
10 (as defined in section 434), (2) to insure eligible lenders
11 (as defined in section 434), on behalf of the United States,
12 against losses on loans made by them to students in eligible
13 institutions who do not have reasonable access to adequate
14 loan insurance programs, and (3) to pay a portion of the
15 interest on loans to qualified students which are insured under
16 this part or under a program of a State or of a nonprofit
17 private institution or organization which has an agreement
18 with the Commissioner pursuant to section 428 (b).

19 (b) For the purpose of carrying out this part—

20 (1) there are authorized to be appropriated to the
21 student loan insurance fund (established by section 431)

1 (A) the sum of \$1,000,000, and (B) such further sums,
2 if any, as may become necessary for the adequacy of the
3 student loan insurance fund,

4 (2) there are authorized to be appropriated, for
5 payments under section 428 with respect to interest on
6 insured loans, such sums for the fiscal year ending June
7 30, 1966, and succeeding fiscal years, as may be required
8 therefor, and

9 (3) there are authorized to be appropriated the
10 sum of \$17,500,000 for making advances pursuant to
11 section 422 for the reserve funds of State student loan
12 insurance programs.

13 Sums appropriated under clauses (1) and (2) of this sub-
14 section shall remain available until expended, and sums ap-
15 propriated under clause (3) of this subsection shall remain
16 available for advances under section 422 until the close of
17 the fiscal year ending June 30, 1968.

18 ADVANCES FOR RESERVE FUNDS OF STATE LOAN INSURANCE
19 PROGRAMS

20 SEC. 422. (a) From the sums appropriated pursuant
21 to clause (3) of section 421 (b), the Commissioner is
22 authorized to make advances to any State with which he
23 has made an agreement pursuant to section 428 (b) for the
24 purpose of helping to establish or strengthen the reserve fund
25 of the student loan insurance program covered by that agree-

1 ment. Advances pursuant to this subsection shall be upon
2 such terms and conditions (including conditions relating to
3 the time or times of payment) consistent with the require-
4 ments of section 428 (b) as the Commissioner determines
5 will best carry out the purposes of this section. Advances
6 made by the Commissioner under this subsection shall be
7 repaid within such period as the Commissioner may deem to
8 be appropriate in each case in the light of the maturity and
9 solvency of the reserve fund for which the advance was
10 made.

11 (b) The total of the advances to any State pursuant to
12 subsection (a) may not exceed an amount which bears the
13 same ratio to $2\frac{1}{2}$ per centum of \$700,000,000 as the
14 population of that State aged eighteen to twenty-two,
15 inclusive, bears to the total population of all the States aged
16 eighteen to twenty-two, inclusive. If the amount so deter-
17 mined for any State, however, is less than \$25,000, it shall
18 be increased to \$25,000 and the total of the increases thereby
19 required shall be derived by proportionately reducing (but
20 not below \$25,000) the amount so determined for each of the
21 remaining States. The amount of an advance to any State
22 pursuant to subsection (a) may also not exceed the amount
23 which has been contributed by the State to the reserve
24 fund of the student loan insurance fund covered by the

1 agreement of that State under section 428 (b). For the
2 purposes of this subsection, the population aged eighteen to
3 twenty-two, inclusive, of each State and of all the States
4 shall be determined by the Commissioner on the basis of
5 the most recent satisfactory data available to him.

6 EFFECT OF ADEQUATE NON-FEDERAL PROGRAMS

7 SEC. 423. If the Commissioner determines in accordance
8 with regulations that one or more classes of students do not
9 have reasonable access to a State or a private program of
10 loan insurance which meets such minimum standards as
11 the Commissioner may prescribe, he may, for so long as
12 he determines this condition to continue, issue certificates of
13 insurance to lenders under section 429 covering loans to
14 such class or classes of students.

15 SCOPE AND DURATION OF LOAN INSURANCE PROGRAM

16 SEC. 424. (a) The total principal amount of new loans
17 made and installments paid pursuant to lines of credit (as
18 defined in section 434) to students covered by insurance
19 under this part shall not exceed \$700,000,000 in the fiscal
20 year ending June 30, 1966, \$1,000,000,000 in the fiscal
21 year ending June 30, 1967, and \$1,400,000,000 in the fiscal
22 year ending June 30, 1968. Thereafter, insurance pur-
23 suant to this part may be granted only for loans made (or
24 for loan installments paid pursuant to lines of credit) to
25 enable students, who have obtained prior loans insured

1 under this part, to continue or complete their educational
2 program; but no insurance may be granted for any loan
3 made or installment paid after June 30, 1972.

4 (b) The Commissioner may, if he finds it necessary to
5 do so in order to assure an equitable distribution of the bene-
6 fits of this part, assign, within the maximum amounts speci-
7 fied in subsection (a), insurance quotas applicable to
8 eligible lenders, or to States or areas, and may from time
9 to time reassign unused portions of these quotas.

10 LIMITATIONS ON INDIVIDUAL LOANS AND ON INSURANCE

11 SEC. 425. (a) The total of the loans made to a student
12 in any academic year or its equivalent (as determined under
13 regulations of the Commissioner) which may be covered
14 by insurance under this part may not exceed \$2,000 in the
15 case of a graduate or professional student (as defined in
16 regulations of the Commissioner), or \$1,000 in the case of
17 any other student. The aggregate insured unpaid principal
18 amount of all such insured loans made to any student shall
19 not at any time exceed \$7,500 in the case of any graduate
20 or professional student (as defined in regulations of the
21 Commissioner, and including any such insured loans made
22 to such person before he became a graduate or professional
23 student), or \$5,000 in the case of any other student. The
24 annual insurable limit per student shall not be deemed to be
25 exceeded by a line of credit under which actual payments

1 by the lender to the borrower will not be made in any year
2 in excess of the annual limit.

3 (b) The insurance liability on any loan insured under
4 this part shall be 100 per centum of the unpaid balance
5 of the principal amount of the loan. Such insurance liability
6 shall not include liability for interest whether or not that
7 interest has been added to the principal amount of the loan.

8 SOURCES OF FUNDS

9 SEC. 426. Loans made by eligible lenders in accord-
10 ance with this part shall be insurable whether made from
11 funds fully owned by the lender or from funds held by the
12 lender in a trust or similar capacity and available for such
13 loans.

14 ELIGIBILITY OF STUDENT BORROWERS AND TERMS OF
15 STUDENT LOANS

16 SEC. 427. (a) A loan by an eligible lender shall be
17 insurable under the provisions of this part only if—

18 (1) made to a student who (A) has been accepted
19 for enrollment at an eligible institution or, in the case
20 of a student already attending such institution, is in good
21 standing there as determined by the institution, and
22 (B) is carrying at least one-half of the normal full-time
23 workload as determined by the institution, and (C) has
24 provided the lender with a statement of the institution
25 which sets forth a schedule of the tuition and fees appli-

1 cable to that student and its estimate of the cost of board
2 and room for such a student; and

3 (2) evidenced by a note or other written agreement
4 which—

5 (A) is made without security and without en-
6 dorsement, except that if the borrower is a minor
7 and such note or other written agreement executed
8 by him would not, under the applicable law, create
9 a binding obligation, endorsement may be required,

10 (B) provides for repayment (except as pro-
11 vided in subsection (c)) of the principal amount of
12 the loan in installments over a period of not less
13 than five years (unless sooner repaid) nor more
14 than ten years beginning not earlier than six months
15 nor later than one year after the date on which the
16 student ceases to carry at an eligible institution at
17 least one-half the normal full-time academic work-
18 load as determined by the institution, except that
19 (i) the period of the loan may not exceed fifteen
20 years from the execution of the note or written
21 agreement evidencing it and (ii) the note or other
22 written instrument may contain such provisions re-
23 lating to repayment in the event of default in the
24 payment of interest or in the payment of the cost

1 of insurance premiums, or other default by the
2 borrower, as may be authorized by regulations of
3 the Commissioner in effect at the time the loan is
4 made,

5 (C) provides for interest on the unpaid princi-
6 pal balance of the loan at a yearly rate, not exceed-
7 ing the applicable maximum rate prescribed and
8 defined by the Secretary (within the limits set forth
9 in subsection (b)) on a national, regional, or other
10 appropriate basis, which interest shall be payable in
11 installments over the period of the loan except that,
12 if provided in the note or other written agreement,
13 any interest payable by the student may be deferred
14 until not later than the date upon which repayment
15 of the first installment of principal falls due, in which
16 case interest that has so accrued during that period
17 may be added on that date to the principal (but
18 without thereby increasing the insurance liability
19 under this part),

20 (D) provides that the lender will not collect or
21 attempt to collect from the borrower any portion of
22 the interest on the note which is payable by the
23 Commissioner under this part,

24 (E) entitles the student borrower to accelerate

1 without penalty repayment of the whole or any
2 part of the loan, and

3 (F) contains such other terms and conditions,
4 consistent with the provisions of this part and with
5 the regulations issued by the Commissioner pur-
6 suant to this part, as may be agreed upon by the
7 parties to such loan, including, if agreed upon, a pro-
8 vision requiring the borrower to pay to the lender, in
9 addition to principal and interest, amounts equal to
10 the insurance premiums payable by the lender to
11 the Commissioner with respect to such loan.

12 (b) No maximum rate of interest prescribed and de-
13 fined by the Secretary for the purposes of clause (2) (C)
14 of subsection (a) may exceed 6 per centum per annum on
15 the unpaid principal balance of the loan, except that under
16 circumstances which threaten to impede the carrying out of
17 the purposes of this part, one or more of such maximum
18 rates of interest may be as high as 7 per centum per annum
19 on the unpaid principal balance of the loan.

20 (c) The total of the payments by a borrower during
21 any year of any repayment period with respect to the aggre-
22 gate amount of all loans to that borrower which are insured
23 under this part shall not be less than \$360 or the balance

1 of all of such loans (together with interest thereon), which-
2 ever amount is less.

3 FEDERAL PAYMENTS TO REDUCE STUDENT INTEREST COSTS

4 SEC. 428. (a) (1) Each student who has received a
5 loan which is insured under this part or a loan, for study at
6 an eligible institution, which—

7 (A) is insured under a State program, or under a
8 program of a nonprofit institution or organization, cov-
9 ered by an agreement made pursuant to subsection (b),
10 and

11 (B) was contracted for after the effective date of
12 that agreement and was paid to the student either (i)
13 prior to July 1, 1970, or (ii) prior to July 1, 1974, in
14 the case of a loan made (or a loan installment paid pur-
15 suant to a line of credit) to enable a student who has ob-
16 tained a prior loan insured under such program to con-
17 tinue or complete his educational program,

18 and whose adjusted family income is less than \$15,000 at the
19 time of execution of the note or written agreement evidencing
20 such loan, shall be entitled to have paid on his behalf and for
21 his account to the holder of the loan, over the period of the
22 loan, a portion of the interest on the loan. For the purposes
23 of this paragraph, the adjusted family income of a student
24 shall be determined pursuant to regulations of the Commis-
25 sioner in effect at the time of the execution of the note or

1 written agreement evidencing the loan. Such regulations
2 shall provide for taking into account such factors, including
3 family size, as the Commissioner deems appropriate.

4 (2) The portion of the interest on a loan which a stu-
5 dent is entitled to have paid on his behalf and for his account
6 to the holder of the loan pursuant to paragraph (1) shall be
7 equal to the total amount of the interest on the unpaid prin-
8 cipal amount of the loan which accrues prior to the beginning
9 of the repayment period of the loan, and 3 per centum per
10 annum of the unpaid principal amount of the loan (excluding
11 interest which has been added to principal) thereafter; but
12 such portion of the interest on a loan shall not exceed, for any
13 period, the amount of the interest on that loan which is pay-
14 able by the student after taking into consideration the
15 amount of any interest on that loan which the student is
16 entitled to have paid on his behalf for that period under any
17 State or private loan insurance program. In the absence of
18 fraud by the lender, that determination shall be final so far
19 as the obligation of the Commissioner to pay a portion of the
20 interest on a loan is concerned. The holder of an insured
21 loan shall be deemed to have a contractual right, as against
22 the United States, to receive from the Commissioner the por-
23 tion of interest which has been so determined. The Commis-
24 sioner shall pay this portion of the interest to the holder of
25 the insured loan on behalf of and for the account of the bor-

1 rower at such times as may be specified in regulations in
2 force when the applicable agreement entered into pursuant to
3 subsection (b) was made, or when a loan insured under this
4 part was paid to the student, as the case may be.

5 (3) Each holder of a loan with respect to which pay-
6 ments of interest are required to be made by the Commis-
7 sioner shall submit to the Commissioner, at such time or
8 times and in such manner as he may prescribe, statements
9 containing such information as may be required by or pur-
10 suant to regulation for the purpose of enabling the Com-
11 missioner to determine the amount of the payment which he
12 must make with respect to that loan.

13 (b) (1) Any State or any nonprofit private institution
14 or organization may enter into an agreement with the Com-
15 missioner for the purpose of entitling students who receive
16 loans which are insured under a student loan insurance pro-
17 gram of that State, institution, or organization to have
18 made on their behalf payments equal to those provided for
19 in subsection (a) if the Commissioner determines that the
20 student loan insurance program—

21 (A) authorizes the insurance of not less than
22 \$1,000 nor more than \$1,500 in loans to any individual
23 student in any academic year or its equivalent (as de-
24 termined under regulations of the Commissioner) ;

25 (B) authorizes the insurance of loans to any in-

dividual student for at least six academic years of study or their equivalent (as determined under regulations of the Commissioner) ;

(C) provides that (i) the student borrower shall be entitled to accelerate without penalty the whole or any part of an insured loan, (ii) the period of any insured loan may not exceed fifteen years from the date of execution of the note or other written evidence of the loan, and (iii) the note or other written evidence of any loan may contain such provisions relating to repayment in the event of default by the borrower as may be authorized by regulations of the Commissioner in effect at the time such note or written evidence was executed;

(D) subject to subparagraph (C), provides that, where the total of the insured loans to any student which are held by any one person exceeds \$2,000, repayment of such loans shall be in installments over a period of not less than five years nor more than ten years beginning not earlier than six months nor later than one year after the student ceases to pursue a full-time course of study at an eligible institution, except that if the program provides for the insurance of loans for part-time study at eligible institutions the program shall provide that such repayment period shall begin not earlier than six months nor later than one year after the student ceases to carry

1 at an eligible institution at least one-half the normal full-
2 time academic workload as determined by the institution ;

3 (E) authorizes interest on the unpaid balance of
4 the loan at a yearly rate not in excess of 6 per centum
5 per annum on the unpaid principal balance of the loan
6 (exclusive of any premium for insurance which may be
7 passed on to the borrower) ;

8 (F) insures not less than 90 per centum of the
9 unpaid principal of loans insured under the program ;

10 (G) provides for collection from the holder of
11 the loan of a reasonable insurance premium ;

12 (H) provides that the benefits of the loan in-
13 surance program will not be denied any student because
14 of his family income or lack of need if his adjusted
15 family income at the time the note or written agreement
16 is executed is less than \$15,000 (as determined pursuant
17 to the regulations of the Commissioner prescribed under
18 section 428 (a) (1)) ; and

19 (I) provides that a student may obtain insurance
20 under the program for a loan for any year of study at
21 an eligible institution.

22 (2) Such an agreement shall—

23 (A) provide that the holder of any such loan will
24 be required to submit to the Commissioner, at such time
25 or times and in such manner as he may prescribe, state-

ments containing such information as may be required by or pursuant to regulation for the purpose of enabling the Commissioner to determine the amount of the payment which he must make with respect to that loan;

(B) include such other provisions as may be necessary to protect the financial interest of the United States and promote the purposes of this part and as are agreed to by the Commissioner and the State; and

(C) provide for making such reports in such form and containing such information as the Commissioner may reasonably require to carry out his function under this part and for keeping such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports.

CERTIFICATES OF INSURANCE—EFFECTIVE DATE OF

INSURANCE

SEC. 429. (a) (1) If, upon application by an eligible lender, made upon such form, containing such information, and supported by such evidence as the Commissioner may require, and otherwise in conformity with this section, the Commissioner finds that the applicant has made a loan to an eligible student which is insurable under the provisions of this part, he may issue to the applicant a certificate of in-

1 insurance covering the loan and setting forth the amount and
2 terms of the insurance.

3 (2) Insurance evidenced by a certificate of insurance
4 pursuant to subsection (a) (1) shall become effective upon
5 the date of issuance of the certificate, except that the Com-
6 missioner is authorized, in accordance with regulations, to
7 issue commitments with respect to proposed loans, or with
8 respect to lines (or proposed lines) of credit, submitted by
9 eligible lenders, and in that event, upon compliance with
10 subsection (a) (1) by the lender, the certificate of insurance
11 may be issued effective as of the date when any loan, or any
12 payment by the lender pursuant to a line of credit, to be
13 covered by such insurance was made. Such insurance shall
14 cease to be effective upon thirty days' default by the lender
15 in the payment of any installment of the premiums payable
16 pursuant to subsection (c).

17 (3) An application submitted pursuant to subsection
18 (a) (1) shall contain (A) an agreement by the applicant
19 to pay, in accordance with regulations, the premiums fixed by
20 the Commissioner pursuant to subsection (c), and (B) an
21 agreement by the applicant that if the loan is covered by
22 insurance the applicant will submit such supplementary re-
23 ports and statements during the effective period of the loan
24 agreement, upon such forms, at such times, and containing

1 such information as the Commissioner may prescribe by or
2 pursuant to regulation.

3 (b) (1) In lieu of requiring a separate insurance appli-
4 cation and issuing a separate certificate of insurance for
5 each student loan made by an eligible lender as provided in
6 subsection (a), the Commissioner may, in accordance with
7 regulations consistent with section 424, issue to any eligible
8 lender applying therefor a certificate of comprehensive in-
9 surance coverage which shall, without further action by
10 the Commissioner, insure all insurable loans made by that
11 lender, on or after the date of the certificate and before a
12 specified cutoff date, within the limits of an aggregate maxi-
13 mum amount stated in the certificate. Such regulations
14 may provide for conditioning such insurance, with respect
15 to any loan, upon compliance by the lender with such re-
16 quirements (to be stated or incorporated by reference in the
17 certificate) as in the Commissioner's judgment will best
18 achieve the purpose of this subsection while protecting the
19 financial interest of the United States and promoting the
20 objectives of this part, including (but not limited to) pro-
21 visions as to the reporting of such loans and information
22 relevant thereto to the Commissioner and as to the payment
23 of initial and other premiums and the effect of default there-
24 in, and including provision for confirmation by the Com-

1 missioner from time to time (through endorsement of the
2 certificate) of the coverage of specific new loans by such
3 certificate, which confirmation shall be incontestable by the
4 Commissioner in the absence of fraud or misrepresentation
5 of fact or patent error.

6 (2) If the holder of a certificate of comprehensive in-
7 surance issued under this subsection grants to a student a
8 line of credit extending beyond the cutoff date specified in
9 that certificate, loans or payments thereon made by the
10 holder after that date pursuant to the line of credit shall
11 not be deemed to be included in the coverage of that
12 certificate except as may be specifically provided therein;
13 but, subject to the limitations of section 424, the Com-
14 missioner may, in accordance with regulations, make com-
15 mitments to insure such future loans or payments, and
16 such commitments may be honored either as provided in
17 subsection (a) or by inclusion of such insurance in com-
18 prehensive coverage under this subsection for the period
19 or periods in which such future loans or payments are
20 made.

21 (c) The Commissioner shall, pursuant to regulations,
22 charge for insurance on each loan under this part a pre-
23 mium in an amount not to exceed one-fourth of 1 per
24 centum per year of the unpaid principal amount of such
25 loan (excluding interest added to principal), payable in

1 advance, at such time and in such manner as may be pre-
2 scribed by the Commissioner. Such regulations may provide
3 that such premium shall not be payable, or if paid shall
4 be refundable, with respect to any period after default in
5 the payment of principal or interest or after the borrower
6 has died or becomes totally and permanently disabled, if
7 (1) notice of such default or other event has been duly
8 given, and (2) request for payment of the loss insured
9 against has been made or the Commissioner has made such
10 payment on his own motion pursuant to section 430(a).

11 (d) The rights of an eligible lender arising under
12 insurance evidenced by a certificate of insurance issued to
13 it under this section may be assigned as security by such
14 lender only to another eligible lender, and subject to regula-
15 tion by the Commissioner.

16 (e) The consolidation of the obligations of two or more
17 insured loans obtained by a student borrower in any fiscal
18 year into a single obligation evidenced by a single instru-
19 ment of indebtedness shall not affect the insurance by the
20 United States. If the loans thus consolidated are covered
21 by separate certificates of insurance issued under subsection
22 (a), the Commissioner may upon surrender of the original
23 certificates issue a new certificate of insurance in accordance
24 with that subsection upon the consolidated obligation; if
25 they are covered by a single comprehensive certificate

1 issued under subsection (b), the Commissioner may amend
2 that certificate accordingly.

3 PROCEDURE ON DEFAULT, DEATH, OR DISABILITY OF
4 STUDENT

5 SEC. 430. (a) Upon default by the student borrower
6 on any loan covered by insurance pursuant to this title, or
7 upon the death of the student borrower or a finding by
8 the insurance beneficiary that the borrower has become
9 totally and permanently disabled (as determined in accord-
10 ance with regulations established by the Commissioner)
11 before the loan has been repaid in full, and prior to the
12 commencement of suit or other enforcement proceeding
13 upon security for that loan, the insurance beneficiary shall
14 promptly notify the Commissioner, and the Commissioner
15 shall if requested (at that time or after further collection
16 efforts) by the beneficiary, or may on his own motion, if the
17 insurance is still in effect, pay to the beneficiary the amount
18 of the loss sustained by the insured upon that loan as soon
19 as that amount has been determined. The "amount of the
20 loss" on any loan shall, for the purposes of this subsection
21 and subsection (b), be deemed to be an amount equal to
22 the unpaid balance of the principal amount of the loan.

23 (b) Upon payment by the Commissioner of the insured
24 portion of the loss pursuant to subsection (a), the United
25 States shall be subrogated to all of the rights of the holder of

1 the obligation upon the insured loan and shall be entitled to
2 an assignment of the note or other evidence of the insured
3 loan by the insurance beneficiary. If the net recovery made
4 by the Commissioner on a loan after deduction of the cost of
5 that recovery (including reasonable administrative costs)
6 exceeds the amount of the loss, the excess shall be paid over
7 to the insured.

8 (c) Nothing in this section or in this part shall be con-
9 strued to preclude any forbearance for the benefit of the stu-
10 dent borrower which may be agreed upon by the parties to
11 the insured loan and approved by the Commissioner, or to
12 preclude forbearance by the Commissioner in the enforce-
13 ment of the insured obligation after payment on that insur-
14 ance, or to require collection of the amount of any loan by
15 the insurance beneficiary or by the Commissioner from the
16 estate of a deceased borrower or from a borrower found by
17 the insurance beneficiary to have become permanently and
18 totally disabled.

19 (d) Nothing in this section or in this part shall be con-
20 strued to excuse the holder of a loan from exercising reason-
21 able care and diligence in the making and collection of loans
22 under the provisions of this part. If the Commissioner, after
23 reasonable notice and opportunity for hearing to an eligible
24 lender, finds that it has substantially failed to exercise such
25 care and diligence or to make the reports and statements re-

1 quired under section 428 (a) (3) and section 429 (a) (3),
2 or to pay the required insurance premiums, he shall dis-
3 qualify that lender for further insurance on loans granted
4 pursuant to this part until he is satisfied that its failure has
5 ceased and finds that there is reasonable assurance that the
6 lender will in the future exercise necessary care and diligence
7 or comply with such requirements, as the case may be.

8 (e) As used in this section—

9 (1) the term “insurance beneficiary” means the
10 insured or its authorized assignee in accordance with
11 section 429 (d) ; and

12 (2) the term “default” includes only such defaults
13 as have existed for (A) one hundred and twenty days
14 in the case of a loan which is repayable in monthly in-
15 stallments, or (B) one hundred and eighty days in the
16 case of a loan which is repayable in less frequent
17 installments.

18 INSURANCE FUND

19 SEC. 431. (a) There is hereby established a student
20 loan insurance fund (hereinafter in this section called the
21 “fund”) which shall be available without fiscal year limita-
22 tion to the Commissioner for making payments in connection
23 with the default of loans insured under this part. All
24 amounts received by the Commissioner as premium charges
25 for insurance and as receipts, earnings, or proceeds derived

1 from any claim or other assets acquired by the Commis-
2 sioner in connection with his operations under this part,
3 and any other moneys, property, or assets derived by the
4 Commissioner from his operations in connection with this
5 section, shall be deposited in the fund. All payments in
6 connection with the default of loans insured under this part
7 shall be paid from the fund. Moneys in the fund not needed
8 for current operations under this section may be invested
9 in bonds or other obligations guaranteed as to principal and
10 interest by the United States.

11 (b) If at any time the moneys in the fund are insuffi-
12 cient to make payments in connection with the default of any
13 loan insured under this part, the Commissioner is authorized
14 to issue to the Secretary of the Treasury notes or other ob-
15 ligations in such forms and denominations, bearing such ma-
16 turities, and subject to such terms and conditions as may be
17 prescribed by the Commissioner with the approval of the
18 Secretary of the Treasury. Such notes or other obligations
19 shall bear interest at a rate determined by the Secretary of
20 the Treasury, taking into consideration the current average
21 market yield on outstanding marketable obligations of the
22 United States of comparable maturities during the month
23 preceding the issuance of the notes or other obligations.
24 The Secretary of the Treasury is authorized and directed to
25 purchase any notes and other obligations issued hereunder

1 and for that purpose he is authorized to use as a public debt
2 transaction the proceeds from the sale of any securities issued
3 under the Second Liberty Bond Act, as amended, and the
4 purposes for which securities may be issued under that Act,
5 as amended, are extended to include any purchases of such
6 notes and obligations. The Secretary of the Treasury may
7 at any time sell any of the notes or other obligations ac-
8 quired by him under this subsection. All redemptions, pur-
9 chases, and sales by the Secretary of the Treasury of such
10 notes or other obligations shall be treated as public debt
11 transactions of the United States. Sums borrowed under
12 this subsection shall be deposited in the fund and redemption
13 of such notes and obligations shall be made by the Commis-
14 sioner from such fund.

15 LEGAL POWERS AND RESPONSIBILITIES

16 SEC. 432. (a) In the performance of, and with respect
17 to, the functions, powers, and duties vested in him by this
18 part, the Commissioner may—

19 (1) prescribe such regulations as may be necessary
20 to carry out the purposes of this part;

21 (2) sue and be sued in any court of record of a
22 State having general jurisdiction or in any district court
23 of the United States, and such district courts shall have
24 jurisdiction of civil actions arising under this part with-
25 out regard to the amount in controversy, and any action

1 instituted under this subsection by or against the Com-
2 missioner shall survive notwithstanding any change in
3 the person occupying the office of Commissioner or any
4 vacancy in that office; but no attachment, injunction,
5 garnishment, or other similar process, mesne or final,
6 shall be issued against the Commissioner or property
7 under his control, and nothing herein shall be construed
8 to except litigation arising out of activities under this
9 part from the application of sections 507 (b) and 2679
10 of title 28 of the United States Code and of section 367
11 of the Revised Statutes (5 U.S.C. 316) ;

12 (3) include in any contract for insurance such
13 terms, conditions, and covenants relating to repayment
14 of principal and payment of interest, relating to his ob-
15 ligations and rights and to those of eligible lenders, and
16 borrowers in case of default, and relating to such other
17 matters as the Commissioner determines to be necessary
18 to assure that the purposes of this part will be achieved;
19 and any term, condition, and covenant made pursuant
20 to this clause or any other provisions of this part may
21 be modified by the Commissioner if he determines that
22 modification is necessary to protect the financial interest
23 of the United States;

24 (4) subject to the specific limitations in this part,
25 consent to the modification, with respect to rate of inter-

1 est, time of payment of any installment of principal and
2 interest or any portion thereof, or any other provision
3 of any note or other instrument evidencing a loan which
4 has been insured under this part;

5 (5) enforce, pay, or compromise, any claim on, or
6 arising because of, any such insurance; and

7 (6) enforce, pay, compromise, waive, or release
8 any right, title, claim, lien, or demand, however ac-
9 quired, including any equity or any right or redemption.

10 (b) The Commissioner shall, with respect to the finan-
11 cial operations arising by reason of this part—

12 (1) prepare annually and submit a budget program
13 as provided for wholly owned Government corporations
14 by the Government Corporation Control Act; and

15 (2) maintain with respect to insurance under this
16 part an integral set of accounts, which shall be audited
17 annually by the General Accounting Office in accordance
18 with principles and procedures applicable to commercial
19 corporate transactions, as provided by section 105 of the
20 Government Corporation Control Act, except that the
21 transactions of the Commissioner, including the settle-
22 ment of insurance claims and of claims for payments pur-
23 suant to section 428, and transactions related thereto and
24 vouchers approved by the Commissioner in connection

with such transactions, shall be final and conclusive upon all accounting and other officers of the Government.

PARTICIPATION BY FEDERAL CREDIT UNIONS IN FEDERAL,
STATE, AND PRIVATE STUDENT LOAN INSURANCE
PROGRAMS

SEC. 433. Notwithstanding any other provision of law, Federal credit unions shall, pursuant to regulations of the Director of the Bureau of Federal Credit Unions, have power to make insured loans up to 10 per centum of their assets, to student members in accordance with the provisions of this part or in accordance with the provisions of any State or nonprofit private student loan insurance program with respect to which there is in effect an agreement with the Commissioner under section 428 (b).

DEFINITIONS FOR REDUCED-INTEREST STUDENT LOAN
INSURANCE PROGRAM

SEC. 434. As used in this part:

(a) The term "eligible institution" means an institution described in the first sentence of section 701 (a).

(b) The term "eligible lender" means an eligible institution, or a financial or credit institution (including an insurance company) which is subject to examination and supervision by an agency of the United States or of any State.

(c) The term "line of credit" means an arrangement

1 or agreement between the lender and the borrower whereby
2 a loan is paid out by the lender to the borrower in annual
3 installments, or whereby the lender agrees to make, in addi-
4 tion to the initial loan, additional loans in subsequent years.

5 PART C—COLLEGE WORK-STUDY PROGRAM EXTENSION

6 AND AMENDMENTS

7 TRANSFER OF AUTHORITY, AND OTHER AMENDMENTS

8 SEC. 441. Effective July 1, 1965, part C of title I of
9 the Economic Opportunity Act of 1964 (Public Law 88-
10 452) is amended as follows:

11 (1) By striking out “Director” in the first sentence
12 of section 122 (a) and inserting in lieu thereof “Com-
13 missioner of Education (hereinafter in this part referred
14 to as the ‘Commissioner’)”, and by striking out “Direc-
15 tor” wherever that word appears in the other provisions
16 of such part C and inserting in lieu thereof “Commis-
17 sioner”;

18 (2) By amending that part of section 121 that fol-
19 lows the section designation to read as follows: “The
20 purpose of this part is to stimulate and promote the part-
21 time employment of students, particularly students from
22 low-income families, in institutions of higher education
23 who are in need of the earnings from such employment
24 to pursue courses of study at such institutions.”;

25 (3) By redesignating clauses (2), (3), and (4),

of paragraph (c) of section 124 as clauses (1), (2), and (3), and by striking out so much of such paragraph as precedes such redesignated clauses and inserting in lieu thereof the following: “(c) provide that in the selection of students for employment under such work-study program preference shall be given to students from low-income families and that employment under such work-study program shall be furnished only to a student who”;

(4) By striking out “June 30, 1966,” in paragraph (f) of section 124 and inserting in lieu thereof “June 30, 1967,”; and

(5) By striking out “(as defined by section 401 (f) of the Higher Education Facilities Act of 1963 (Public Law 88-204)” in section 123 and inserting in lieu thereof “(as defined by section 103 (b) of the National Defense Education Act of 1958 for purposes of title II of that Act)”.

APPROPRIATIONS AUTHORIZED

SEC. 442. There are authorized to be appropriated \$129,000,000 for the fiscal year ending June 30, 1966, and such sums as may be necessary for each of the four succeeding years, to carry out the purposes of part C of title I of the Economic Opportunity Act of 1964 (Public Law 88-

1 452). Any sums which, prior to the enactment of this Act,
2 were appropriated for carrying out such part C of that title
3 for the fiscal year ending June 30, 1966, or were allocated
4 from an applicable appropriation for that purpose, and which
5 have not been expended prior to the date of the enactment of
6 this Act, shall be available to the Commissioner for carrying
7 out such part C.

8 CONFORMING AMENDMENT

9 SEC. 443. Part D of title I of the Economic Oppor-
10 tunity Act of 1964 (Public Law 88-452) is amended to
11 read as follows:

12 "PART D—AUTHORIZATION OF APPROPRIATIONS

13 "SEC. 131. The Director shall carry out the programs
14 provided for in parts A and B of this title during the fiscal
15 year ending June 30, 1965, and each of the two succeeding
16 fiscal years, and he shall carry out the program provided for
17 in part C of this title during the fiscal year ending June 30,
18 1965. For this purpose there is hereby authorized to be
19 appropriated the sum of \$412,500,000 for the fiscal year
20 ending June 30, 1965; and for the fiscal year ending June
21 30, 1966, and the fiscal year ending June 30, 1967, such
22 sums may be appropriated as the Congress may hereafter
23 authorize by law."

1 TITLE V—AMENDMENTS TO HIGHER EDUCATION
2 FACILITIES ACT OF 1963

3 AUTHORIZATION FOR CONSTRUCTION OF UNDERGRADUATE
4 FACILITIES

5 SEC. 501. The first sentence of section 101 (b) of the
6 Higher Education Facilities Act of 1963 is amended by strik-
7 ing out “and each of the two succeeding fiscal years” and
8 inserting in lieu thereof the following: “and for the succeed-
9 ing fiscal year; and the sum of \$460,000,000 for the fiscal
10 year ending June 30, 1966”.

11 PUBLIC JUNIOR COLLEGES AND TECHNICAL INSTITUTES

12 SEC. 502. (a) Section 105 (a) (2) of the Higher Edu-
13 cation Facilities Act of 1963 is amended by striking out
14 “other than a project for a public community college or pub-
15 lic technical institute”.

16 (b) Section 107 (b) of such Act is amended (1) by
17 striking out “other than a project for a public community
18 college or public technical institute”, and (2) by striking
19 out “shall be 40 per centum” and inserting in lieu thereof
20 “shall in no event exceed 40 per centum”.

21 (c) Section 401 (d) of the Higher Education Facilities
22 Act of 1963 is amended by inserting immediately before “40

1 per centum” the following: “a percentage (as determined
2 under the applicable State plan) not in excess of”.

3 AUTHORIZATION FOR CONSTRUCTION OF GRADUATE
4 FACILITIES

5 SEC. 503. The second sentence of section 201 of the
6 Higher Education Facilities Act of 1963 is amended by
7 striking out “and the sum of \$60,000,000 each for the fiscal
8 year ending June 30, 1965, and the succeeding fiscal year”
9 and inserting in lieu thereof the following: “the sum of
10 \$60,000,000 for the fiscal year ending June 30, 1965, and
11 the sum of \$120,000,000 for the fiscal year ending June 30,
12 1966”.

13 TITLE VI—ADVISORY COUNCIL TO HOUSE COM-
14 MITTEE ON EDUCATION AND LABOR

15 ADVISORY COUNCIL

16 SEC. 601. (a) The chairman of the Committee on
17 Education and Labor of the House of Representatives is
18 hereby authorized to establish, on or after the beginning of
19 each Congress, an Advisory Council to make studies and
20 recommendations with respect to programs established by
21 this Act or affected by the amendments made by this Act,
22 for the purpose of assisting the committee and any subcom-
23 mittee thereof exercising jurisdiction over the subject mat-
24 ter of any such program. The members of such Advisory

1 Council shall be persons who are specially qualified to make
2 such studies and recommendations, and at least one member
3 shall be an expert in the area of each of such programs.

4 (b) The members of the Advisory Council shall be
5 appointed by the chairman of the committee. The Advisory
6 Council shall meet at the call of the chairman of the com-
7 mittee, but not less than twice a year. The chairman of the
8 committee may designate subcommittees of the Advisory
9 Council to make studies and recommendations with respect
10 to particular programs.

11 (c) Members of the Advisory Council who are not reg-
12 ular full-time employees of the United States shall, while
13 serving on the business of the Advisory Council, be entitled
14 to receive compensation at rates fixed by the chairman of the
15 committee, but not exceeding \$100 per day, including travel-
16 time; and, while so serving away from their homes or regular
17 places of business, they may be allowed travel expenses,
18 including per diem in lieu of subsistence, as authorized by
19 section 5 of the Administrative Expenses Act of 1946
20 (5 U.S.C. 73b-2) for persons in the Government service
21 employed intermittently.

22 (d) There are hereby authorized to be appropriated such
23 sums as may be necessary to carry out this title.

1 TITLE VII—GENERAL PROVISIONS

2 DEFINITIONS

3 SEC. 701. As used in this Act—

4 (a) The term “institution of higher education” means
5 an educational institution in any State which (1) admits as
6 regular students only persons having a certificate of gradu-
7 ation from a school providing secondary education, or the
8 recognized equivalent of such certificate, (2) is legally au-
9 thorized within such State to provide a program of education
10 beyond secondary education, (3) provides an educational
11 program for which it awards a bachelor’s degree or provides
12 not less than a two-year program which is acceptable for
13 full credit toward such a degree, (4) is a public or other
14 nonprofit institution, and (5) is accredited by a nationally
15 recognized accrediting agency or association or, if not so
16 accredited, is an institution whose credits are accepted, on
17 transfer, by not less than three institutions which are so
18 accredited, for credit on the same basis as if transferred
19 from an institution so accredited. Such term also includes
20 any business school or technical institution which meets the
21 provisions of clauses (1), (2), (4), and (5). For pur-
22 poses of this subsection, the Commissioner shall publish a
23 list of nationally recognized accrediting agencies or associa-
24 tions which he determines to be reliable authority as to the
25 quality of training offered.

1 (b) The term "State" includes, in addition to the
2 several States of the Union, the Commonwealth of Puerto
3 Rico, the District of Columbia, Guam, American Samoa, and
4 the Virgin Islands.

5 (c) The term "nonprofit" as applied to a school,
6 agency, organization, or institution means a school, agency,
7 organization, or institution owned and operated by one or
8 more nonprofit corporations or associations no part of the
9 net earnings of which inures, or may lawfully inure, to the
10 benefit of any private shareholder or individual.

11 (d) The term "secondary school" means a school which
12 provides secondary education as determined under State law
13 except that it does not include any education provided be-
14 yond grade 12.

15 (e) The term "Secretary" means the Secretary of
16 Health, Education, and Welfare.

17 (f) The term "Commissioner" means the Commissioner
18 of Education.

19 METHOD OF PAYMENT

20 SEC. 702. Payments under this Act to any individual
21 or to any State or Federal agency, institution of higher edu-
22 cation, or any other organization, pursuant to a grant, loan,
23 or contract, may be made in installments, and in advance
24 or by way of reimbursement, and, in the case of grants or

1 loans, with necessary adjustments on account of overpay-
2 ments or underpayments.

3 FEDERAL ADMINISTRATION

4 SEC. 703. (a) The Commissioner is authorized to dele-
5 gate any of his functions under this Act, except the making
6 of regulations, to any officer or employee of the Office of
7 Education.

8 (b) In administering the titles of this Act for which
9 he is responsible, the Commissioner is authorized to utilize
10 the services and facilities of any agency of the Federal Gov-
11 ernment and of any other public or nonprofit agency or
12 institution, in accordance with agreements between the Sec-
13 retary and the head thereof.

14 FEDERAL CONTROL OF EDUCATION PROHIBITED

15 SEC. 704. Nothing contained in this Act shall be con-
16 strued to authorize any department, agency, officer, or em-
17 ployee of the United States to exercise any direction, super-
18 vision, or control over the curriculum, program of instruction,
19 administration, or personnel of any educational institution,
20 or over the selection of library resources by any educational
21 institution.

A BILL

To strengthen the educational resources of our colleges and universities and to provide financial assistance for students in post-secondary and higher education.

By Mrs. GREEN of Oregon

JUNE 30, 1965

Referred to the Committee on Education and Labor

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250
OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
FOR INFORMATION ONLY;
(NOT TO BE QUOTED OR CITED)

Issued July 9, 1965
For actions of July 8, 1965
89th-1st; No. 123

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HIGHLIGHTS. House committee voted to report cotton bill. Rep. Findley criticized cotton bill approved by committee. House received conference report on water resources planning bill. Reps. Widnall and Langen criticized PL 480 wheat shipments to Egypt. Rep. Cooley introduced cotton bill.

HOUSE

1. **COTTON.** The Agriculture Committee voted to report (but did not actually report) with amendment H. R. 9414, the Cooley cotton bill (p. D624). Rep. Findley criticized the bill as approved by the committee as "disgraceful" (pp. 15487-8).
2. **WATER RESOURCES.** Received the conference report on S. 21, the proposed Water Resources Planning Act (H. Rept. 603)(pp. 15406-9). As reported the bill includes provisions as follows: Establishes a Water Resources Council, composed

of the Secretaries of Interior, Agriculture, Army, HEW, and the Chairman of the Federal Power Commission, to coordinate river basin plans and maintain a continuing study of water supply requirements and management. Authorizes the President to establish river basin water and related land resources commissions to coordinate Federal, State, local, and nongovernmental plans for the development of water and related land resources. Authorizes annual appropriations of \$5 million for a period of 10 years for grants to States to assist them in developing and participating in the development of comprehensive water and related land resource plans. Authorizes the appropriation of an additional \$6,700,000 for carrying out various provisions of the bill.

3. PUBLIC LANDS. A subcommittee of the Interior and Insular Affairs Committee voted to report to the full committee H. R. 6646, to amend the Recreation and Public Purposes Act pertaining to the leasing of public lands to States and political subdivisions. p. D624
 4. EDUCATION. The Education and Labor Committee voted to report (but did not actually report) H. R. 9567, to strengthen the educational resources of colleges and universities and to provide financial assistance for students in postsecondary and higher education. p. D624
 5. WHEAT. Received from this Department a proposed bill to implement the International Wheat Agreement; to Banking and Currency Committee. p. 15496
 6. CONGRESSIONAL ORGANIZATION. The Joint Committee on the Organization of the Congress submitted an interim report on the organization of the Congress (H. Rept. 605). p. 15496
 7. PUBLIC LAW 480. Reps. Widnall and Langen criticized recent shipments of wheat to Egypt under Public Law 480. pp. 15473, 15483
 8. BUDGET. Rep. Krebs stated that the administration is working toward a balanced budget in the near future and inserted an editorial, "Brighter Budget." pp. 15471-2
 9. RESEARCH FUNDS. Rep. Roush criticized the geographical allocation of Federal research and development funds, stating that "these funds are expended in only a few small areas of our country." pp. 15474-5
 10. FOREIGN TRADE. Rep. Berry criticized the Trade Expansion Act and urged enactment of a legislation to prohibit a possible 50-percent tariff cut on certain items. pp. 15485-6
 11. PERSONNEL. Rep. Fulton commended Civil Service Chairman Macy and inserted an article "Civil Service Chief Wields Power as Johnson's Talent Scout." p. 15491
- SENATE
12. HEALTH. Continued debate on H. R. 6675, to provide a hospital insurance program for the aged under the Social Security Act with a supplementary health benefits program and an expanded program of medical assistance, to increase benefits under the Old-Age, Survivors, and Disability Insurance System, etc. pp. 15296-338, 15346-58, 15361-70, 15398-403

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250
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POSTAGE AND FEES PAID
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OFFICE OF BUDGET AND FINANCE
FOR INFORMATION ONLY;
(NOT TO BE QUOTED OR CITED)

Issued July 15, 1965
For actions of July 14, 1965
89th-1st; No. 127

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HIGHLIGHTS; Senate debated housing bill, including title on rural housing. Senate agreed to conference report on water resources development bill. Rep. Cabel praised USDA inspection services.

SENATE

1. HOUSING LOANS. Began debate on S. 2213, on housing and urban redevelopment, including a title on rural housing loans (pp. 16132, 16137-42, 16149-90). Sen. Kuchel submitted, but later withdrew, a proposed amendment to provide that the terms "rural" and "rural area" mean any area, open country, place, town, village, or city having a population of 5,500 inhabitants or less that is not part of or associated with an urban area, after Sen. Sparkman assured him that this question would be considered by the conference committee (p. 16172). Agreed to a unanimous-consent agreement by Sen. Mansfield to limit further debate on the bill and amendments beginning Thurs., July 15 (p. 16185).
2. WATER RESOURCES. Agreed to the conference report on S. 21, the proposed Water Resources Planning Act (pp. 16142-4). This bill will now be sent to the President. See Digest 123 for provisions of this bill.

Sens. Anderson, McGee, and Javits expressed concern over the water shortage in many parts of the Nation and inserted an article, "Special Report: A Nation Can Dry Up." pp. 16127-9, 16130-2, 16134-7

3. SALINE WATER. Conferees were appointed on S. 24, to expand, extend, and accelerate the saline water conversion program conducted by Interior (p. 16144). House conferees have not yet been appointed.
4. ELECTRIFICATION. Sen. Thurmond criticized Secretary of the Interior Udall's "attempt to block Duke Power Co. from constructing a proposed \$700 million power generating complex" in S. C., and inserted several items in support of his criticism. pp. 16190-5
5. WATERSHEDS. The Public Works Committee approved plans for works of improvement on the following watersheds: Cooper Creek, Ark.; Lower Little Tallapoosa River, Ga. and Ala.; Limestone Stream, Me.; Long Creek, Miss.; Tuscumbia River, Miss. and Tenn.; Grindstone-Lost-Muddy Creek, Mo.; Stewarts Creek-Lovills Creek, N. C. and Va.; Uncle John Creek, Okla.; Upper Elk Creek, Okla.; Wilson Spring Creek, Tenn.; Attoyac Bayou, Tex.; Castleman Creek, Tex.; Donahoe Creek, Tex.; and Ferron, Utah. pp. 16124-5
6. BUILDINGS. Sen. McNamara submitted a listing of public building prospectuses approved by the Public Works Committee. pp. 16123-4

HOUSE

7. INSPECTION SERVICES. Rep. Cabell praised the "highly valuable but little publicized" quarantine service of USDA stating that it "has saved consumers and the economy untold millions of dollars." p. 16252
8. FARM PROGRAM. Rep. MacGregor inserted an article, "The Back of Freeman's Hand," critical of the Secretary's "ridicule" of those who have "questioned Department proposals." pp. 16260-1
Rep. Findley called the farm bill the "most expensive...in the history of farm legislation" and inserted a 4-year breakdown of the estimated costs. pp. 16261-2
Rep. Purcell spoke in favor of the farm bill and said, "Let us not be fooled by any fraudulent 'bread tax' arguments against it." p. 16281
9. PERSONNEL. The Rules Committee reported a resolution for the consideration of H. R. 8469, to provide certain increases in annuities payable from the civil service retirement and disability fund. p. 16206
10. HIGHWAYS. The Public Works Committee reported with amendment H. R. 6790, to increase the limitation on emergency relief for the repair or reconstruction of highways under 23 U.S.C. 125 (H. Rept. 614). p. 16286
11. ATOMIC ENERGY; ELECTRIFICATION. The Rules Committee reported a resolution for the consideration of H. R. 8856, to amend the Atomic Energy Act to clarify the intent of Congress regarding regulation of the sale, generation, or transmission of electric power produced through the use of nuclear facilities licensed by the Atomic Energy Commission. pp. 16251-2
12. EDUCATION. The Education and Labor Committee was granted until midnight July 14 to file a report on H. R. 9567, the proposed Higher Education Act. p. 16252. *Reported with amendments H. Rept. 621.*

HIGHER EDUCATION ACT OF 1965

JULY 14, 1965.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. POWELL, from the Committee on Education and Labor, submitted the following

REPORT

[To accompany H.R. 9567]

The Committee on Education and Labor, to whom was referred the bill (H.R. 9567) to strengthen the educational resources of our colleges and universities and to provide financial assistance for students in postsecondary and higher education, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendments are as follows:

Page 34, line 12, strike out "third" and insert in lieu thereof "fourth".

Page 40, line 19, strike out "(5)".

PURPOSE OF THE LEGISLATION

One of the most outstanding features of contemporary American society is a growing awareness of the value of higher education. Testimony presented in the committee hearings on the Higher Education Act of 1965 evidenced clearly the interest of the American people in the country's colleges and universities. At the same time, the testimony pointed out dramatically certain needs in higher education.

The incredible growth of the American college population has been well publicized. In the 10 years from 1954 to 1964 the number of college and university students climbed from 2.4 to 4.8 million—an increase of 100 percent in one decade. It appears that this accelerated rate of growth will continue into the next decade. The projected enrollment in 1970 is 6.9 million students and by 1973, this figure is expected to jump to 8 million.

Less well known, but equally dramatic, is the increase in the number of colleges and universities. Since the war the number of institutions of higher education in this country has risen 250 percent, from 866 to approximately 2,300. As the number of high school students wishing to enter higher education institutions increases, the number will continue to grow.

This tremendous increase in university students and in institutions of higher learning has not been accomplished without bringing certain difficulties along with it. As existing facilities have become overcrowded and as new institutions have sprung up across the country, academic quality has often been sacrificed for the sake of growth. Inadequate library resources, a lack of qualified teachers, packed classrooms, and insufficient scholarship funds characterize many of the Nation's colleges and universities. This is a dangerous phenomenon and one that could persist—the demands for growth continue unslackened.

It is the purpose of the Higher Education Act of 1965 to overcome, or at least to ameliorate, some of these problems. The principal provisions of the bill are designed—

1. To encourage institutions of higher education to assist in seeking solutions to urban and suburban problems by establishing a program of Federal support for college and university community service projects.

2. To upgrade college libraries through grants for the purchase of books and other library materials and through appropriating funds to make more extensive the cataloging services of the Library of Congress.

3. To improve library services generally by the establishment of Federal programs for research and training in this area.

4. To strengthen developing institutions by financing cooperative programs to aid struggling colleges and by establishing a national teaching fellowship program to attract outstanding young scholars to such institutions.

5. To extend the benefits of college education to increasing numbers of students by providing educational opportunity grants for exceptionally needy students, by establishing an interim program of federally guaranteed reduced-interest student loans, by stimulating and assisting State guaranteed student loan programs, and by extending and liberalizing the college work-study program.

6. To ease the pressure of overcrowded academic facilities by doubling the appropriations for title I and title II of the Higher Education Facilities Act and by making more flexible the provisions relating to public community colleges and technical institutions.

7. To provide counsel for the House Committee on Education and Labor by establishing an advisory council of experts in the field of higher education.

BACKGROUND OF THE LEGISLATION

President Johnson, in his education message earlier this year, enumerated certain immediate needs in higher education—

To extend the opportunity for higher education more broadly among lower and middle income families.

To help small and less well developed colleges improve their programs.

To enrich the library resources of colleges and universities.

To draw upon the unique and invaluable resources of our great universities to deal with national problems of poverty and community development.

The provisions of H.R. 9567 respond to these needs. In addition, the reported bill incorporates many of the suggestions of witnesses who appeared before the Special Subcommittee on Education during hearings conducted on the Higher Education Act of 1965. In approving, as an amendment to the introduced bill, a substantial increase in the authorization of funds for title I and title II of the Higher Education Facilities Act of 1963, the committee has recognized a unanimous sentiment, expressed by witnesses, university presidents, and private citizens, that assistance in the construction of academic facilities is a most urgent and immediate need in higher education.

The Special Subcommittee on Education conducted 13 days of hearings in Washington on the Higher Education Act of 1965 and 2 days of field hearings at the University of Chicago. The field hearings in Chicago enabled the members of the subcommittee not only to hear the views of university officials of midwestern institutions, but also gave them the opportunity to meet informally with professors and administrators to further explore the implications of the legislation. Through informal meetings and correspondence the subcommittee also obtained the advice and recommendations of student aid officers and other experts in the field of student financial assistance.

SUMMARY AND DISCUSSION OF THE PRINCIPAL PROVISIONS

TITLE I—COMMUNITY SERVICE PROGRAMS

The need

Everyone is aware of the increasing urbanization of the United States. Today 70 percent of the American people live in urban areas. The rate of immigration to these areas has increased throughout the last several decades. During the 1950's the net immigration figure to metropolitan areas was nearly 8 million. At the same time about 85 percent of the total population increase in this country occurred in the cities. There is little indication that the rate of urban growth has decreased. Within the metropolitan regions, the areas regarded as "suburban," surrounding the central cities, were the areas of the most rapid population growth during the last decade. Such rapid change in the increase and density of population creates enormous problems for central cities and their satellites. Major problems such as traffic, zoning, water and air pollution, juvenile delinquency, housing, unemployment, and intergroup and race relations are becoming increasingly critical to urban and suburban residents.

That private citizens and officials in the public and private sectors of our society may function effectively in this situation and under these conditions requires a growing and continuing ability to indicate genuine and active interest in solving the myriad problems as they arise. Knowledge of facts and principles, understanding of relationships and improved judgment must be continuously fostered if these problems are to be handled. In addition, skills of diagnosis, communication, organization, administration, and leadership must be learned if these growing problems are to be coped with.

University and college resources are particularly relevant to help meet the numerous new problems arising from increased urbanization. In recent years institutions of higher education have contributed significantly and increasingly to our educational, economic, and cultural advances through their institutionwide and departmental extension and continuing education services and programs. They have done so in our rural areas as well as in our large cities and suburban zones.

Inherent in the university's traditional role of perpetuating and adding to human knowledge has been the responsibility to make that knowledge understood throughout the community. President Johnson, in submitting his education program to Congress, spoke of the potential of higher education to help deal with the perplexities of modern society. "Our great universities," he said—

have the skills and knowledge to match these mountainous problems. They can offer expert guidance in community planning; research and development in pressing educational problems; economic and job market studies; continuing education of the community's professional and business leadership; and programs for the disadvantaged. The role of the university must extend far beyond the ordinary extension-type operation. Its research findings and talents must be made available to the community. Faculty must be called upon for consulting activities. Pilot projects, seminars, conferences, TV programs, and task forces drawing on many departments of the university—all should be brought into play. This is a demanding assignment for the universities and many are not now ready for it. The time has come for us to help the university to face the problems of the city as it once faced problems of the farm.

The purpose of this legislation is to put the President's words into action by fostering innovation and encouraging and enabling institutions of higher education to respond to the demands of the communities they serve.

Schooling has become and will continue increasingly to be a normal part of adult life. Military officers in the United States now know that they will spend a large portion of their career—perhaps a third—going to school. Civilians will increasingly have similar expectations. The work-school pattern can take widely varying forms: part of each day, or each week, or each month, or each year in the classroom and in the work situation; or major leaves of absence from work to return to major training institutions. This pattern needs to be widely understood as a part of the wave of the future and incorporated into our common understanding.

The character of modern knowledge and industry and the development of knowledge and of the community dictate that adult life will be characterized by ever sharper requirements of occupational, social, and cultural competence, by deeper problems for the individual of obsolescence and disorientation. In their bearing on adult life, knowledge and change in every part of our lives have at last brought us to the point where the old expressions of "lifelong learning" and "continuing education" become meaningful descriptions of what is required of man. Ours is an "educative" society and we are undoubtedly on the threshold of an age of adult education.

The argument for Federal support of university community education hinges upon the community's social and individual needs for continuing opportunities for adult education. Just as society has a stake in the adequate provision of a balanced program of education for the young, so it has a stake in the provision of a balanced program of continuing education for the adult. The Federal Government has a long record of support for adult education. Since 1914, the Department of Agriculture has had a program of grants for extension in agriculture and home economics addressed particularly to a rural audience through the land-grant colleges and universities. First established by the Smith-Lever Act and subsequently broadened by additional legislation, this program now has a very large annual expenditure derived from Federal funds, as well as from State and local sources.

Community service programs

In keeping with the intent of President Johnson to extend the role of the university "far beyond the ordinary extension-type operation," the committee is proposing a program of Federal assistance for institutions of higher education to enable them to establish and maintain community service programs. Throughout consideration of this title, the committee was mindful of the principal role of the university and its primary responsibility to undergraduate and graduate students. Thus the committee has adopted language in section 102 of the bill which will insure that the resources and skills of the university will be utilized only in very specific areas and not be dissipated on programs and activities not consistent with the overall objectives of the institution. Specifically there is a prohibition against the use of funds for courses and activities which are of a frivolous nature. Further, where any program, activity, or service involves course offerings, the extension and continuing education courses must be either credit courses, or of college level as determined by the institution.

The above restrictions apply to all activities to be carried on under approved projects. Because the committee wishes to give the highest priority to programs, services, and activities specifically designed to assist in the solution of urban and suburban problems and because of the diversity of the problems and, thus of the means by which to solve them, the committee has provided considerable latitude with respect to programs aimed at urban and suburban problems. Thus programs, activities, or services *specifically designed* to assist in the solution of urban and suburban problems will be eligible for support. It is the committee's intention that the term "specifically designed"

be interpreted narrowly. Thus, the following examples of activities would qualify as programs "specifically designed":

1. Concentrated studies of employment problems and the resources of the community toward stimulating economic growth and more effective management of community enterprises that will largely determine the course of the community's future.

2. An ad hoc task force to appraise the community welfare administration and to subject the problems revealed by this appraisal to the insights of a wide variety of university disciplines; among others, psychologists, economists, architects, lawyers, and physicians.

3. Conferences and seminars to assist community leaders in mounting an attack on poverty.

4. A special course to train nonmedical personnel in case-finding techniques, as a means of alleviating a shortage of public health personnel in the community.

5. A conference for government and school officials and members of the business community to discuss ways in which the end of discrimination patterns in housing, education, and employment can be hastened with wider community support.

Without mitigating circumstances or further qualifications, the following would not qualify as "specifically designed" to assist in the solution of urban or suburban problems:

1. A short course to bring the most recent laws, court cases, and legal trends to the attention of local attorneys.

2. A monthly seminar for physicians, meeting with the staff of the university medical school, to discuss new advances in the drug industry and in drug research.

3. A short course, by administrative officials in business, government, industry, and education, in the application of automatic data processing techniques to current management procedures.

4. Courses scheduled at times that would enable housewives to work toward college degree requirements—by examination, perhaps, or through regular courses, evening and Saturday programs, correspondence, or television instruction.

The committee recognizes that changes are occurring not only in our cities and suburbs, but also in our rural communities and areas as well. The committee further recognizes the desirability and necessity of providing support for university extension and continuing education courses which are not specifically designed to assist in the solution of urban and suburban problems. Nevertheless, the committee does not wish to encourage competition between institutions of higher education and local school systems with respect to adult basic education, job retraining, or vocational education; nor does the committee wish to permit and finance a duplication of efforts in that certain educational programs are already eligible for support under the Economic Opportunity Act, the Manpower Development and Training Act, the Housing Act, and under the Agricultural Extension Service. Further, the committee does not wish to draw colleges and universities into programs and activities which might interfere with the primary role or functions of an institution of higher education or which might

impede the maximum utilization of the special resources of an institution and the competencies of its faculty. The bill, therefore, contains language which permits the inclusion of programs, activities, or services beyond those specifically designed to directly assist in the solution of urban or suburban problems. However, such programs must be at least indirectly related to the solution of community problems. The institution must determine that such programs are not otherwise available in a community or to persons in a community and secondly that they are consistent with the overall educational objectives of the institutions and are congruent with the effective utilization of the special resources of the institution and the competencies of its faculty.

Administration of the program by State authority

Each State that wishes to participate in this program must designate a State institution or agency to design and submit a State plan, setting forth its programs of community service projects. It is anticipated that in many States a State commission or agency, representative of institutions of higher education in the State, will be established and has been the case with the recently established State commissions pursuant to the Higher Education Facilities Act. In other instances the State may wish to appoint the State university, a land-grant college, or even a private urban college or university to administer the State plan. The bill permits this if there is established an advisory council broadly representative of institutions of higher education in the State which are competent to offer community service programs to consult with the designated institution in the preparation of the State plan. Among other requirements for the State plan, the plan must set forth a comprehensive coordinated statewide program of approved educational activities and services for which Federal financial support is being requested. The plan must also set forth such policies and procedures to be followed in allocating Federal funds as will insure that due consideration will be given to the capacity and willingness of particular institutions of higher education (whether public or private) to provide effective community service programs, to the availability and need for such activities and services in the State, and to the results of periodic evaluation of such activities and services in the light of information regarding State problems.

Authorizations

The enormity of the need of American communities, both urban and suburban, to increase their competencies in solving their social and civic problems, was stressed by all witnesses who testified on title I. Impressed by this great need, the committee has authorized \$50 million for fiscal year 1966, the first year of a 5-year program, to pay part of the costs of new, improved, or expanded community service programs. Only such sums as the Congress may hereafter authorize by law are proposed for the remaining 4 years of the program. Of the funds authorized, a certain amount is guaranteed to each of the territories and the respective States, with the remainder being allocated to the States on a formula based on population. The funds for fiscal year 1966 would be distributed as follows:

Estimated Federal payments under title I, Higher Education Act of 1965

	Community service programs ¹		Community service programs ¹
United States and out- lying areas-----	\$50,000,000	50 States and the District of Columbia—Con.	
50 States and the District of Columbia-----	49,220,917	Nebraska-----	\$443,399
Alabama-----	889,724	Nevada-----	190,996
Alaska-----	157,311	New Hampshire-----	250,646
Arizona-----	454,627	New Jersey-----	1,633,132
Arkansas-----	544,922	New Mexico-----	330,648
California-----	4,202,542	New York-----	4,239,502
Colorado-----	548,664	North Carolina-----	1,219,789
Connecticut-----	735,101	North Dakota-----	250,880
Delaware-----	212,283	Ohio-----	2,439,230
Florida-----	1,393,828	Oklahoma-----	671,006
Georgia-----	1,086,453	Oregon-----	533,225
Hawaii-----	260,237	Pennsylvania-----	2,772,571
Idaho-----	260,705	Rhode Island-----	308,659
Illinois-----	2,528,589	South Carolina-----	685,743
Indiana-----	1,217,918	South Dakota-----	265,617
Iowa-----	744,458	Tennessee-----	976,509
Kansas-----	618,607	Texas-----	2,492,565
Kentucky-----	831,243	Utah-----	327,139
Louisiana-----	898,847	Vermont-----	194,739
Maine-----	330,648	Virginia-----	1,101,658
Maryland-----	884,110	Washington-----	792,646
Massachusetts-----	1,338,856	West Virginia-----	524,102
Michigan-----	1,978,636	Wisconsin-----	1,051,131
Minnesota-----	916,859	Wyoming-----	179,300
Mississippi-----	634,748	District of Columbia-----	286,671
Missouri-----	1,125,518	American Samoa-----	29,936
Montana-----	263,980	Guam-----	40,532
		Puerto Rico-----	675,451
		Virgin Islands-----	33,164

¹ Estimated distribution of \$50,000,000 with a basic amount of \$100,000 to the 50 States, the District of Columbia and Puerto Rico; \$25,000 to American Samoa, Guam, and the Virgin Islands; and the remainder distributed on the basis of the total resident population.

The 20-percent reservation for grants and contracts for experimental projects proposed in the introduced bill has been deleted to avoid placing a limitation upon the State's ability to develop community service programs and projects which are most likely to meet their own needs. Since the amount of money available to any one State will be exceedingly small in relation to the need, the committee did not wish to impose even this much of a limitation on its use. Rather, it expects that the State plan will indicate, depending on the needs and priorities of the State, whether or not funds will be given to experimental activities, projects, and programs. Some States may already have sufficiently successful and proven community service programs that they may wish to allocate most of their funds to the expansion and rapid diffusion of these successes. The committee feels that the States are the ones most capable of deciding how to allocate the available resources.

Under title I, Federal funds will be used to pay 75 percent of the cost of the State's plan for community service programs in fiscal year 1966 and 50 percent of such costs in the next 4 succeeding years. Up to 5 percent of the Federal grant may be used for the development and administration of the State plan required under the program. The committee has deleted the original limitation on the use of fee-related matching funds in order to insure that institutions of higher education,

particularly private institutions, will have sufficient resources to provide the matching funds required. To prohibit the use of fee-related funds might preclude the effective participation of private colleges and universities, many of whom are finding it extremely difficult to meet existing expenses. However, in permitting the use of fees for matching, the committee does not wish the cost of the program to be borne entirely by the participating students, since in many instances, the participants will be persons who can least afford to pay tuition or course fees. The committee expects such charges and fees to be reasonable and consistent with the objectives of the program. With respect to the matching program, the committee has included a prohibition against the use of Federal funds obtained under other Federal programs for matching. The determination of how the required matching will be obtained within each State will rest with the State agency or institution responsible for the administration of the State plan. In order to insure that the Federal funds are not used to supplant existing State, local, or institutional funds, the State plan must set out policies and procedures designed to assure that the Federal funds will supplement and increase the amounts of non-Federal funds to be made available for community service programs.

A National Advisory Committee on Community Service Programs, composed of representatives of Federal agencies with extension education responsibilities, will be established to advise the Commissioner in the preparation of general regulations concerning policy matters. A Review Council on Community Service Programs, to review programs for which funds are appropriated, and to make recommendations by March 31, 1969, for needed improvements to the Secretary of Health, Education, and Welfare, will also be established.

TITLE II—COLLEGE LIBRARY ASSISTANCE AND LIBRARY TRAINING AND RESEARCH

PART A—COLLEGE LIBRARY RESOURCES

The need

"The true university of these days is a collection of books." These words are as applicable today as they were when first written by Carlyle. Whatever level of quality the Nation's institutions of higher learning aspire to, will be vitally affected by the character of their libraries.

Although the Nation contains some of the finest university libraries, testimony presented to the committee showed that the number of inadequate university and college libraries is overwhelming. Fifty percent of our 4-year institutions of higher learning and 82 percent of our 2-year institutions fall below accepted minimum standards in the number of volumes in their libraries. Current national statistics indicate a decline in the number of college and university library books per student, resulting from enrollments that are increasing faster than per-student expenditures for books. Statistics presented to the committee indicated that an estimated \$226 million is needed merely to stock the shelves of our universities with the books necessary for the present student and faculty population—this is not taking into account the fact that college and university enrollments are expected to increase from today's 4.8 million to 6.9 million by 1970. If an institution of higher learning desires to have an up-to-date library

collection, evidence shows that the institution should reserve 5 percent of its total annual operating expenditures for this purpose. However, the average national expenditure is only 3.5 percent and a number of institutions spend less than 1.5 percent.

There are two basic factors that account for the decline, rather than the improvement, in the adequacy of our institution's libraries. The surging growth in enrollment creates a situation in which the institutions are unable to meet, unaided, the increasing demand for study and research materials. Student enrollment is increasing at a phenomenal rate, the numbers of faculty are necessarily increasing to accommodate the increased student population, and new institutions are being established. All of these developments, in turn, increase the need for greater library resources. The second basic factor can be attributed to the "knowledge explosion" and the resulting floodtide of new publications. The number of new books published annually nearly doubled between 1958 and 1963.

There are still other factors contributing to the pressures on our institutions' libraries. New departments are being established and new subject areas are increasing. There has been a phenomenal growth in research, particularly contract research in science and technology, in universities. Much of this research has been encouraged and supported by the Federal Government. All these factors have multiplied the demands for library service and for adequate collections of books and other library materials.

The Congress has wisely made an investment in graduate education through the National Defense Education Act and the many fellowship and traineeship programs of the various Federal agencies. As a result, the number of doctoral degrees is doubling every 10 years. Yet at least 15 universities which offer a Ph. D. degree have libraries with fewer than 150,000 volumes, barely enough for a small liberal arts college. This inadequacy is further compounded by the 6 million professionals whose careers depend upon the availability of superior library resources.

The committee wishes to point out that these inadequacies effect the education of more than 5 million students and limit the teaching resources of more than 350,000 faculty members who depend upon the availability of good academic library collections. The potential effectiveness of this resource for higher education and its present inadequacy call urgently for corrective measures.

The program

To help meet these needs, title II, part A, provides for an authorization in fiscal year 1966 of \$50 million to be used for three types of grants to institutions of higher education. A 5-year program is authorized under title II. However, with respect to all three parts, sums are authorized only for fiscal year 1966. Only such sums as may hereafter be authorized by law may be appropriated in years after the initial fiscal year. The bill contains provisions which prohibit the use of funds for the acquisition of library materials to be used for sectarian and religious purposes and which require participating institutions to consult with State higher educational agencies in States where they exist.

Basic grants

A program of basic grants is provided for colleges and universities, including junior colleges, or combinations of such institutions, to assist them in acquiring books, periodicals, documents, magnetic tapes, phonograph records, audiovisual materials, and other related library materials. This will double, and in some instances triple, the funds available for library resources in small and poorly supported colleges. Colleges and universities will be eligible to request a basic grant of up to \$5,000, regardless of their student enrollment, if their library expenditures are maintained and matching funds are made available. The committee recognizes that this method of allocating funds is a departure from the traditional formula for allocation of funds which tends to favor larger institutions. However, the departure will facilitate a program of grants which takes into full account the acute needs in small developing institutions.

Supplemental grants

Also institutions will be eligible for supplemental grants of an amount not to exceed \$10 per full-time student to acquire additional library resources. Special attention will be given to the objectives of these institutions or combinations of institutions in using supplemental grants and available institutional funds. To obtain a supplemental grant an institution must show that it is presently being hindered in its development and improvement due to lack of adequate library resources. Since institutional matching is not required for this type of grant, the committee anticipates that the supplemental grants will provide still another means of special assistance to the particularly needy and developing institutions.

Special purpose grants

To further assist in the acquisition of library materials, special purpose grants, for which at least 25 percent of the appropriation for this part of title II is reserved, will be made to help institutions which demonstrate special needs for additional library resources, to meet special national or regional needs in the library and information sciences, and to stimulate the joint use of library facilities.

With the increasing demands upon libraries, institutions of higher education are keenly aware of the necessity of making their dollars go as far as possible in serving their students, faculty, and research workers. Based on the testimony presented, the committee sees interinstitutional cooperation in the use of acquisitions, cataloging, and services as being perhaps the best method for meeting future needs. Notable examples of the potential of college joint activity are the Center for Research Libraries in Chicago, the New England Depository, and the Honnold Library serving five colleges in the California area—all of which have proven successful over years of operation. Many other cooperative library facilities are being organized. In April 1965 the formal organization of the Central States College Association, including nine midwestern colleges, was announced. Among the cooperative activities of the group is the sharing of library resources. In central Texas five universities are linked with a teletype installation that provides access to their collective store of 2 million books through interuniversity library cards issued to faculty, staff, and graduate students. The Countway Library of Medicine at

Harvard University, dedicated in May 1965, will grant loan privileges to the medical community of New England and will cooperate with other medical and scientific libraries along the east coast and across the Nation. Such examples are indicative of the growing interest in cooperative ventures. Thus it is the committee's desire, with respect to the special purpose grants, that special consideration and attention be given to the use of the authorized funds to stimulate the joint use of library facilities.

Advisory Council

An Advisory Council on College Library Resources, consisting of the Commissioner and eight members, will be established to advise the Commissioner in setting up criteria for the awarding of supplemental grants and special purpose grants. The Council, with respect to the awarding of supplemental grants, will help develop the basic criteria on which institutional need and effort can be determined.



PART B—LIBRARY TRAINING AND RESEARCH

The need

Additional pressures for librarians continue to mount as the population grows and the need for library services continues to expand. Without an adequate corps of trained personnel, the Nation's libraries and information centers which serve the educational, scientific, and intellectual communities, cannot select, acquire, classify, retrieve, and disseminate the vast amount of information now available in books, journals, monographs, studies, and periodicals. With only 3,000 new professionals graduating annually from library schools, the need for an estimated 125,000 additional librarians to simply meet minimum staffing standards for the expanding school system in this Nation is overwhelming.

It was brought to the committee's attention that in all parts of the country, many library programs have floundered and even failed for lack of sufficient staff. The schools upon which the Nation depends for its supply of librarians are having a difficult time meeting the demands of today. With only 33 accredited library schools, only 7 of which are west of the Mississippi, the output of personnel is extremely restricted. There are many other institutions offering library training which could and should be brought up to the standards met by those now accredited.

The committee wishes to point out that the price for this lack of trained librarians is paid by the Nation's schoolchildren. In the public schools the ratio of qualified librarians to pupils today is 1 to 1,254, whereas the accepted national standard is 1 trained librarian to 300 pupils. In 1962-63, only 30,000 school librarians were employed in our public elementary and secondary schools. Of these, 22 percent had completed fewer than 15 semester hours of college work in library science. In 84 percent of our elementary schools, there are no school librarians and professional library supervisors and specialists are lacking in one-third of the State departments of education.

The evidence at hand forms an appalling prospect—the annual increase in the number of librarians is insufficient to even replace those who retire or leave the profession. The very schools that are attempting to meet the need of trained librarians suffer the most as the number of full-time faculty members available for library and

information science is the smallest of any of the disciplines. There are only 190 full-time faculty members to staff all of the accredited library schools, an average of less than 6 per school.

Training

The library can hardly fulfill its proper role as a dynamic, living organism capable of growing to meet multiple demands without sufficient numbers of well-trained, highly qualified librarians. To help meet this need, part B will provide grants to institutions of higher education to assist them in training persons in librarianship. This will include training persons in the principles and practices of the library and information sciences, including the acquisition, organization, storage, retrieval, and dissemination of information, and reference and research use of library and other information resources.

The committee was pleased to learn of the great enthusiasm that has been shown by persons interested in being trained or continuing their training in the field of library science and librarianship. This is evidenced this year by the large number of applicants for the 26 institutes that are being conducted during the summer of 1965 under the authority of title XI of the National Defense Education Act. Unfortunately out of 5,509 applicants, only 966 applications could be accepted due to lack of sufficient facilities and resources. This serves as a prime indication that the desire of persons in the field of librarianship to improve their qualifications is not lacking. What is lacking are sufficient resources to training the many interested persons. This program of NDEA summer library institutes will be replaced under title II, part B, of the present bill, which will offer not only an expanded program of summer library institutes but also regular sessions and short-term programs, fellowships, and traineeships.

With the funds provided in this part institutions will be able to offer entirely new programs of library and information science. With the availability of such grants, accredited schools will be enabled to expand to meet the increasing enrollments. In addition, grants can be made to increase opportunities geographically through the Nation for the training of school, college, and public librarians and for communication specialists. Funds under this part may be used for stipends, and allowances for travel, subsistence, and other expenses of persons undergoing training. The Commissioner may make such grants only upon application by a college or university and only upon finding that their library training programs will substantially increase nationwide library training opportunities.

In repealing the authority in the National Defense Education Act for advanced training institutes for library personnel, the committee does not wish to impede or handicap the progress that has occurred pursuant to that authority. Therefore, every possible consideration should be given to the immediate implementation of this part of the new program in order to insure that the momentum and enthusiasm built up under the old authority is not lost.

Research

The Council of Economic Advisers to the President, in its 1964 annual report, points out:

Innovation is the key element in the process of technical change from the standpoint of economic progress * * *.

The physical investment lag—and a perhaps equally important information lag—mean that it often takes years, sometimes decades, for new technology to spread through an industry or an economy.

As the demands upon our libraries increase in quantity and complexity, the necessity for new and improved innovations in library and information sciences also ascends in importance. Research and demonstration are essential to the improvement of library training programs and library services to the Nation. Research must solve innumerable problems such as the storage and retrieval of all recorded information in print, on tape, film, disks, punched cards, or other media, the development of equipment to handle information problems, and the development of State, regional, and National information systems capable of handling our diverse educational and information needs, and research requirements.

Just having library facilities and books available is not enough to meet the demands placed upon our libraries. Effective methods of handling information, the rapid transmission of information, and the application of computers to improve these services will all require effective research. There is an urgent need for this type of research in order to catch up with and then stay ahead of the demands of our society in the information sciences. To overcome this information lag, library research needs specific financial support. Libraries have long served research; now research must serve our system of libraries. This research, in behalf of libraries, will require the assistance and cooperation of mathematicians, engineers, linguists, and automated library and information processes.

Federal support of research and development in 1964 totaled \$15.3 billion. Of this amount, only \$23 million were invested in educational research and of this amount, less than half a million dollars were spent on library research. The severest shortage of research funds has been felt by graduate schools of library and information science. No Federal research funds have been received by 20 of the 33 accredited library schools in the Nation. Only four of the eight schools offering doctoral programs have received research support amounting to more than \$5,000. The average cost of the 900 library research projects conducted over the last 6 years was as low as \$9,700, an amount so small as to make significant results unlikely.

Funds provided under title II, part B, will support many needed research projects. The development of library research and demonstration centers that would coordinate national and regional research efforts and give broader circulation to research findings, is also anticipated with the Federal funds provided under this proposal. The result should be a more rapid and effective growth of library and information services for the benefit of all our people.

PART C—STRENGTHENING COLLEGE AND RESEARCH LIBRARY RESOURCES

The need

One of the most pressing problems faced by the Nation's libraries for the past 50 years has been that of prompt, effective means of cataloging books that come into the libraries. Books and journals are of no value in a library unless they are readily and easily accessible to the reader. The card catalog is the conventional device used for

achieving this end and, therefore, a book or other type of publication cannot be placed on the library shelf until it is cataloged. This operation involves an exacting technical skill and intellectual effort which requires competence in all of the world's ancient and modern languages. This is a very costly, time-consuming operation for any library and duplication of effort is a waste of precious resources.

In 1901, when the Library of Congress began selling to other libraries, copies of the catalog cards which it prepares for its own collections, a vital step was taken to meet the urgent problem of cataloging. However, with the passing of years and the growing demands upon our Nation's libraries, cataloging has become a most costly and inefficient element in library operations. For example, the 74 members of the Association of Research Libraries today are spending over \$18 million a year on cataloging alone, and while these are the largest libraries, they are a small fraction of the total number.

Recognizing the great shortage of trained librarians across the country, particularly librarians with the specialized subject knowledge and the language skills required to catalog the kinds of books now required in university libraries, it seems highly desirable, if not totally essential, that these intellectual resources be located in one centralized library to serve the many libraries across the Nation. The worldwide commitments of the United States now demand that students be trained in many fields almost unknown 30 years ago. To support these programs, including those brought into being under title VI of the National Defense Education Act, our libraries must make available books in Arabic, in Urdu, in Swahili, and numerous other languages. Therefore, a strong case can be made for centralization on the basis of effective utilization of scarce manpower alone.

Fortunately the basic cataloging of a book, if it is done in a consistent and standard fashion, need not be repeated when a second library gets the same book—if it can also get a copy of the first library's catalog card promptly. Yet the university libraries of the country can obtain Library of Congress catalog cards when they need them for only a little over half of the books they acquire each year. With the establishment of a method to reduce this nearly 50 percent of original cataloging which is now required, much of it duplicated in libraries across the Nation, the savings will be very substantial and the money released can be spent in strengthening the national pool of books and in providing better library service to students and scholars. The obvious central agency is the Library of Congress, which has already established the mechanisms of information and distribution and is essentially already a national bibliographic center. However, to meet the need, the system must be more adequately financed.

The program

Title II of the higher education bill, as it has been amended by the committee, will provide \$5 million for the fiscal year ending June 30, 1966, to the Librarian of Congress for the purpose of acquiring, as far as possible, all library materials currently published throughout the world which are of value to scholarship and for the purpose of providing catalog information for such materials promptly after receipt. With this addition, the \$50 million that will be provided to institutions of higher education in the form of grants to acquire all types of library materials and thus improve their libraries will be even more effective

in that institutions will be assisted to more easily meet the heavy burden of staff costs which these acquisitions will demand. These purchase grants will be much more effective with the greater development of a centralized cataloging facility in the Library of Congress. Further, the centralized catalog approach will inevitably lead to a greater degree of cooperation among university and nonuniversity libraries.

It has been estimated that the \$5 million will insure the acquisition, binding, and cataloging of about 75,000 titles during the first year of operation, in addition to those titles already being cataloged promptly by the Library of Congress. In assisting the Library to acquire more books and to catalog them more rapidly, college and university libraries will be directly assisted through the more rapid provision of cataloging information. The Library of Congress cataloging cards are now going to some 17,000 libraries. The proposed program would increase the availability of that distribution and would clearly be in the interests of research and would be a great contribution to higher education. The cost involved is small when compared with the economies and benefits to be derived.

TITLE III—STRENGTHENING DEVELOPING INSTITUTIONS

The need

In the frantic race in this country to meet the rapidly increasing demand for higher education, a grave problem has developed. Faced with a chronic shortage of good teachers and adequate facilities, educators have been forced to stretch existing resources beyond their necessary limits. An alarming proportion of the Nation's colleges and universities are not offering education of an adequately high standard. Evidence presented to the committee showed that fully 10 percent of the 2,300 institutions of higher learning in the United States have not met the minimum standards of academic quality required for accreditation. Many others constantly face the threat of losing their accreditation because of borderline performance. So poor, in fact, are some institutions that, as the Commissioner of Education reported:

Many students are now finishing high school with more advanced information than is taught in some of our small colleges.

This incredible lack of quality in American higher education must not be lightly regarded—the committee considers this a tragedy. Building hundreds of colleges and developing thousand of teachers is a futile exercise if this new quantity is not accompanied by quality. The whole purpose of encouraging young people to study further is destroyed if the colleges which they attend are not of sufficient caliber to offer them a higher education. Commissioner of Education Keppel warns:

Perhaps if we did not need all our institutions we might turn our backs and allow only the fittest of our colleges to survive. This is a step we cannot afford. We must instead regard developing institutions as among our greatest challenges.

Title III of this legislation represents an important step in meeting this challenge.

Smaller and inferior colleges are beset with a series of problems which must often appear insoluble. They are generally plagued by limited financial support, high dropout and transfer rates, a narrow span of course offerings, and insufficient library, laboratory, and instructional equipment. But it is these chronic inadequacies that make it difficult for developing institutions to attract the sort of assistance they need to overcome their failures. The problem is circular. The colleges are poor, so they cannot become better.

The difficulty of developing a strong faculty exemplifies well the general dilemma of the developing institution. In the first place, they cannot compete for highly qualified personnel with established universities, either in salary or in prestige or in research facilities. Moreover, because of lack of staff, they must demand excessive teaching loads of their own faculty. This means that the faculty members have little chance for the research and other scholarly activity necessary for their personal development. Even in subject areas where these colleges have strengths, it is difficult to maintain them because of the high turnover rate of their faculty and because of the school's loss of contact with the most recent advances in the various academic fields.

A solution

An unusually effective method of maximizing the strength of our limited national resources for education is the interinstitutional cooperative program. A limited number of such programs have been developed in recent years. These arrangements enable institutions to share their strengths and, at the same time, to compensate for their weaknesses. They are of special assistance to the smaller colleges which are most crippled by lack of resources.

Cooperative programs take many forms; exchange of faculty and students, faculty improvement programs, programs involving alternate periods of academic study and business or public employment, and joint use of facilities. Under these arrangements, libraries can be shared for their more esoteric fields, wider ranges of classes can be offered, and administrative knowledge and skill can be developed. The possibilities for cooperative work are seemingly as broad as is the range of university endeavor. However, these possibilities are severely limited by lack of financial resources.

The committee found that particularly interesting among the cooperative programs which have been developed are the sister-relationships between larger universities and smaller colleges. Testimony concerning these sister-relationships was given at the hearings by Dr. Harold Pfautz, who is director of the cooperative program between Brown University and Tougaloo College, a small predominantly Negro college in Mississippi. Drawing from the remarks of Dr. Pfautz and others, the committee came to feel that these associations are among the most encouraging developments in contemporary higher education. Such programs promote the mutual growth of both associated schools. The smaller colleges benefit from the expertise and the greater resources of the major universities. The large research universities, in turn, can benefit from the humanizing influence and certain special teaching skills of the smaller struggling institutions.

There are presently seven formal sister-relationships in the country. There are many other informal exchanges and there are several such programs now at the discussion stage. The main obstruction in the further development of these programs is a lack of financial resources; yet, one of the great virtues of cooperative programs is that they require a minimum of financial support. They are in no way as costly as outright grants to cover the needs of the smaller colleges, and in many ways they are more effective. At the present time giving each of these schools large grants would not solve their problems because there just are not enough good teachers to go around. As long as there are not sufficient numbers of qualified teachers and sufficient educational resources for students and teachers, cooperative programs offer a method for spreading knowledge to as many students as possible today.

The program

Title III represents a significant step in the direction of upgrading the smaller less fortunate colleges of the country. This title provides a 5-year program of grants to institutions of higher education and to teaching fellows to assist in raising the quality of developing institutions. An appropriation of \$30 million for fiscal year 1966 and such sums as may be authorized for the 4 succeeding fiscal years is designated for this purpose.

The committee deliberated at length concerning the precise nature of the institutions which should be eligible for assistance under the provisions of this title. The long-range goal of assisting selected smaller colleges is to raise the quality of college preparation so that it will more closely approach the national manpower and brainpower need. The committee decided that in order to best meet this need highest priority should be given to degree-granting 4-year colleges which have been struggling to maintain and develop their own quality as regular 4-year institutions. Thus, participation is limited to public or nonprofit educational institutions which (a) admit as regular students only high school graduates or the equivalent; (b) will award a bachelor's degree in the year for which they seek assistance and have done the same in the 5 preceding academic years; (c) are accredited or making reasonable progress toward accreditation; and (d) are making a reasonable effort to improve their teaching staff.

The further prerequisite for assistance under this bill is, of course, that the school aided be a developing institution. Certain general requirements are specified in the bill. For example, the college must be—

seriously handicapped in its efforts to improve staffs and services by lack of financial resources and a shortage of qualified personnel.

The committee, however, recognized that no hard-and-fast line separates developing from established institutions and that in the end final determination is a matter of interpretation. The main intent of the committee in judging whether a college qualifies as a developing institution is stated in the first sentence of the title. The bill is to assist institutions which—

for financial and other reasons are struggling for survival and are isolated from the main currents of academic life.

It is intended that identification of eligible colleges will be made according to the sense of this clause. The title stipulates that the Commissioner of Education shall be assisted in this determination by and Advisory Council on Developing Institutions.

Cooperative programs

Two general mechanisms are provided for in strengthening developing institutions. The first is the appropriation of funds for use as grants to support cooperative arrangements aimed at building up these colleges. According to the bill—

such cooperative arrangements may be between developing institutions; between developing institutions and other colleges and universities; and between developing institutions and organizations, agencies, and business entities.

As pointed out above, cooperative arrangements may take an almost limitless variety of specific forms. The committee did not want to limit the flexibility of these programs so it left open a wide range of possibilities for cooperative programs. However, the legislation provides that proposals for which grants are requested must set forth procedures designed to guarantee that the Federal funds made available will supplement rather than supplant State and local funds, establish fiscal control procedures, and provide for periodic reports to the Commissioner.

It should be noted that developing institutions are not distributed equally among the States nor are they related directly to any single factor or group of factors within a State. Therefore, in order to best distribute the appropriations to the colleges most deserving of them, the committee felt that allocations should be made directly to the selected institutions. In sister relationships a grant may be given either to the developing college or to the established university for cooperative use.

Fellowships

The other mechanism provided by title III for strengthening the smaller colleges of this country is the establishment of a national teaching fellowship program. The fellowships are to be awarded by the Commissioner to highly qualified graduate students and to junior faculty members to encourage them to teach at developing institutions. Such fellowships may not exceed 2 academic years nor may a fellowship extend beyond June 30, 1970. Stipends will not exceed \$6,500 per year plus \$400 for each dependent.

Some private groups, recognizing the need in smaller colleges for good teaching, have developed programs designed to encourage young teachers to spend a year or two at developing institutions. The Woodrow Wilson Interns and the Southern Teaching Program, Inc., have both had some success in this area. The main limitation of these programs has been a lack of financial support. It appears that the same sort of idealism that has motivated countless Peace Corps volunteers exists also among some of these young teachers. But evidence was given to the committee which showed that it is not enough for them to want to volunteer. It must be made possible for them to volunteer. The national teaching fellowships can open this possibility to them.

These fellowships can promote higher quality teaching and revitalization of faculties and academic programs in the developing colleges. They can at the same time provide an outlet for the idealism of young teachers and give these academicians a broader range of personal experience which should strengthen their teaching abilities wherever they might be.

TITLE IV—STUDENT ASSISTANCE

The need

The urgent need for new congressional initiative in the field of student financial assistance cannot be stated too strongly. Data on both the increasing costs of education and the mounting numbers of youth, capable and deserving of higher education, but without the means to acquire it, powerfully demonstrate the magnitude of the challenge.

Today the United States faces a serious shortage of trained, educated persons in many areas. Because of the remarkable technological development of our economy and despite the many programs which have been developed in recent years, it seems evident that our shortages of specially trained personnel will become more acute in the future. An increasing percentage of persons in the labor force will be needed in the category of highly skilled professional, technical, and kindred workers. Such current and future shortages of trained personnel present a serious threat to an expanding and viable economy. Military strength, continuation of important research and development programs, effective teaching, and wise informed leadership all require a sufficient supply of capable, trained people. A comprehensive Federal program providing grants, loans, and work opportunities to students is certainly of striking importance in helping to meet these current shortages and future needs.

The "need" for such a program is unquestionably current and dramatic. The costs of higher education increase perceptively from year to year and there is every indication that this spiral will continue. The cost of attending a public institution in academic year 1964-65 was \$1,560, an increase of 30 percent over the 1954-55 average of \$1,190. The 1970-71 projected figure is \$1,840, 20 percent higher than the 1964-65 level. The costs of private higher education have risen at an even faster pace, increasing almost 40 percent from the 1954-55 level of \$1,700 to \$2,370 today. By 1970-71, this figure will have jumped 20 percent to \$2,780. No relief is yet in sight for this college cost spiral and it is estimated that tuition will rise by another 50 percent in both private and public institutions over the next decade.

Estimated costs for tuition and required fees and total cost of attending college, per student, 1930-31 through 1980-81, by control

Year	Tuition and required fees		Total costs of attending college	
	Public	Private	Public	Private
1980-81.....	\$760	\$1,815	\$2,400	\$3,640
1978-79.....	653	1,647	2,270	3,450
1976-77.....	560	1,494	2,160	3,280
1974-75.....	480	1,355	2,040	3,100
1972-73.....	411	1,229	1,940	2,940
1970-71.....	353	1,115	1,840	2,780
1968-69.....	303	1,011	1,740	2,640
1966-67.....	260	917	1,640	2,570
1964-65.....	222	831	1,560	2,370
1962-63.....	191	753	1,480	2,240
1960-61.....	179	676	1,400	2,090
1958-59.....	164	584	1,330	1,950
1956-57.....	142	495	1,260	1,820
1954-55.....	139	438	1,190	1,700
1952-53.....	137	420	1,130	1,590
1950-51.....	138	414	1,070	1,480
1948-49.....	140	396	1,010	1,380
1946-47.....	125	330	960	1,290
1944-45.....	95	280	910	1,200
1942-43.....	88	276	860	1,120
1940-41.....	82	270	830	1,080
1938-39.....	79	256	810	1,050
1936-37.....	78	253	790	1,020
1934-35.....	75	252	770	1,000
1932-33.....	71	251	750	980
1930-31.....	71	252	730	960

In June of 1965 the Nation's high schools graduated the largest group of seniors in history, and next September's college freshmen class, estimated at 1,379,000, is by far the largest ever enrolled—greater than all the World War II veterans enrolled in the period 1945-47. For the average family with one or more children in college, the total investment in education is second in size only to the family investment in a home. Unlike home mortgage costs, which can be spread over two or more decades, the cost of higher education is heavily concentrated in a short span of years.

Figures produced from Project Talent, a recent study financed by the Office of Education, indicate all too clearly the appalling frequency with which a student is presently forced to forgo the opportunity of postsecondary education because of inability to meet the costs. In terms of aptitude, among the top 50 percent of boys graduated, 37.9 percent of those from families with less than \$3,000 annual income did not enroll in college. The situation for girls is even less equitable. Of the top 50 percent, 57.9 percent of those from families with an income of less than \$3,000 did not enter college.

According to the U.S. Office of Education, there were in 1960, 1,079,000 high school graduates not attending college. Of that number, 42 percent indicated that finances played a role in their decisions not to go. Of these, nearly half flatly said they could not afford to consider college at all. Thus, it is reasonable to expect that some 217,000 high school graduates who would have like to continue their education were prevented from doing so because of financial inability. Of the numbers of young people who did go on to higher education, 22 percent dropped out by the end of the first year. Of these, 28 percent gave lack of money as a prime reason for their withdrawal.

These statistics are chiefly an expression of the plight of low-income families and their children. The relationship between family income

and college attendance is clear. In 1960, for example, 78 percent of all high school graduates whose families had incomes of \$12,000 or more per year attended college. By contrast, only 33 percent of students in the \$3,000 or less family income bracket went on to higher education.

As these figures show, the number of high aptitude students unable to continue their education through the college years is not confined to the low income family groups alone. U.S. Commissioner of Education Francis Keppel, has rightly noted in testimony before the Special Subcommittee on Education that the college "price squeeze" has become—

increasingly onerous for middle-income families whose children do not qualify for financial aid through such programs as the National Defense Education Act, title II, or programs for student employment. To cover average annual expenses for college students, these families must make cash payments of nearly \$10,000 during a 48-month period.

PART A—EDUCATIONAL OPPORTUNITY GRANTS

The need

Recent studies show conclusively that the burgeoning costs of higher education have already priced baccalaureate and graduate degrees completely out of the market for millions of young Americans. The expense of post-high-school education has so increased that a 4-year university education away from home costs between \$6,000 and \$18,000. In commenting on this expenditure before the House Special Subcommittee on Education, Andrew Biemiller, director of the AFL-CIO Department of Legislation, states—

this is the largest expenditure most families ever make, with the exception of buying a home. For the working man who has two or more children of college age, the burden becomes all but impossible.

Elmer West of the American Council on Education made a recent study of nearly 8,000 scholarship winners in 65 leading institutions of higher education. Only 1,264 of these scholarships went to young people from families with income under \$5,000. On the other hand, 4,877 of the scholarship winners were from families with incomes over \$7,000 a year. Nearly twice as many scholarships went to students from families with \$13,000 or more income as to students from families with less than \$3,000 income. Well intentioned as existing scholarship programs may be, it is clear that they are not reaching the young people who have the greatest need for assistance.

Existing programs of student support in higher education have not only failed to reach the low-income groups, they have failed to meet the growing, across-the-board total need. Loans and part-time work cannot always permit a student to cope with the costs of higher education. A college education might never become a reality for the young person who must go into debt for every additional credit hour, or every new textbook. Students from lower income families, where debt has always meant hardship, will get little encouragement as the debt mounts and graduation and a job are still far away.

For a student from a family that cannot contribute significantly to higher education costs—generally acknowledged to be the case for families earning less than \$5,000 and having two children—it is not possible to meet the average \$1,700 annual cost even by earning \$500 and borrowing \$1,000 under the college work-study and National Defense Education Act programs. What is needed is incentive or opportunity grants to encourage and assist such students to develop their talents and by so doing to enrich themselves and the Nation. This does not mean a complete support grant or scholarship. It does mean a "helping hand" program that, in conjunction with loan and a job, would make more meaningful the completion of high school and the promise of an opportunity for college education.

Dr. Fred H. Harrington, president of the University of Wisconsin, perceptively stated this year in testimony before the House Special Subcommittee on Education on behalf of the National Association of State Universities and Land-Grant Colleges that:

This "educational opportunity grant" program * * * is an integral part of the whole effort to help the disadvantaged get into the mainstream of American life. It puts the responsibility squarely on our colleges and universities to seek out those capable or potentially capable of handling college work, and work out with them a way of making college financially possible. It is not a luxury program or a gift program or anything of the sort, but an educational opportunity program.

The program

The committee considered it highly desirable in proposing a program of educational opportunity grants to design the program in such a manner as to provide colleges and universities with discretion in the awarding of grants while at the same time to offer such institutions a program which could be easily administered. The committee has, therefore, chosen to amend an existing program—one which the substantial majority of our colleges and universities have worked with during the last 6 years.

Thus, title II of the National Defense Education Act, which now provides authority for the National Defense Education Act student loan program, will be amended to permit institutions of higher education to use up to 25 percent of their annual Federal contribution to the institution's revolving loan fund for the making of initial year educational opportunity grants to exceptionally needy, full-time undergraduate students. The committee wishes to emphasize that if an institution does not wish to use all or any of its annual contribution for the making of opportunity grants, it need not do so. Institutions not desiring to use the authority will be in no way punished since any funds not used for grants may be used for student loans. The student loan program under title II will continue to operate as it has in the past.

Authorizations

At present the following sums are authorized to be appropriated for title II of the National Defense Education Act:

1966.....	\$179,300,000
1967.....	190,000,000
1968.....	195,000,000

These sums will be increased as follows:

1966.....	\$253,300,000
1967.....	266,600,000
1968.....	280,000,000

This will result in making available during the next 3 years the following amounts for National Defense Education Act student loans and initial year educational opportunity grants:

	Loans	Initial year educational opportunity grants
1966.....	\$188,900,000	\$64,400,000
1967.....	200,000,000	66,600,000
1968.....	210,000,000	70,000,000

In addition there is also authorized to be appropriated such sums as are necessary to make educational opportunity grants to students who have received initial year educational opportunity grants for years other than the year for which they received an initial year award in order to allow such students to complete their undergraduate course of instruction.

Under title II of the National Defense Education Act funds are allotted to the States on the basis of the number of full-time students enrolled in institutions of higher education. The estimated allotment of funds for the educational opportunity grant program may be seen in the following table:

Estimated State allotments, educational opportunity grants, H.R. 9567, title IV, pt. A, fiscal years 1966 through 1968¹

	Fiscal year 1966	Fiscal year 1967	Fiscal year 1968
United States and outlying areas.....	\$63,325,000	\$66,650,000	\$70,000,000
50 States and District of Columbia.....	62,881,399	66,183,108	69,509,640
Alabama.....	846,808	891,271	936,069
Alaska.....	25,100	26,418	27,746
Arizona.....	695,376	731,888	768,675
Arkansas.....	568,343	598,185	628,251
California.....	6,461,090	6,800,343	7,142,144
Colorado.....	892,945	939,830	987,069
Connecticut.....	806,286	848,621	891,275
Delaware.....	124,207	130,729	137,300
Florida.....	1,444,850	1,520,715	1,597,150
Georgia.....	1,034,070	1,088,366	1,143,070
Hawaii.....	209,869	220,888	231,991
Idaho.....	251,924	265,152	278,479
Illinois.....	3,160,610	3,326,565	3,493,765
Indiana.....	1,788,696	1,882,615	1,977,240
Iowa.....	1,204,359	1,267,596	1,331,308
Kansas.....	1,037,635	1,092,118	1,147,010
Kentucky.....	933,522	982,538	1,031,923
Louisiana.....	1,214,443	1,275,210	1,342,456
Maine.....	252,718	265,988	279,357
Maryland.....	913,187	961,136	1,009,445
Massachusetts.....	2,374,438	2,499,112	2,624,724
Michigan.....	2,737,548	2,881,288	3,026,109
Minnesota.....	1,518,137	1,597,850	1,678,162
Mississippi.....	753,611	793,180	833,048
Missouri.....	1,585,477	1,668,725	1,752,600
Montana.....	286,517	301,561	316,719
Nebraska.....	594,792	626,022	657,488
Nevada.....	68,596	72,197	75,826
New Hampshire.....	261,251	274,968	288,789
New Jersey.....	1,193,425	1,256,088	1,319,222
New Mexico.....	326,060	343,181	360,430
New York.....	5,142,017	5,412,009	5,684,030
North Carolina.....	1,548,224	1,629,516	1,711,420
North Dakota.....	311,654	328,018	344,505
Ohio.....	3,105,608	3,268,675	3,432,966
Oklahoma.....	1,042,547	1,097,288	1,152,441
Oregon.....	829,354	872,901	916,775
Pennsylvania.....	3,289,638	3,462,367	3,636,394
Rhode Island.....	328,258	345,494	362,860
South Carolina.....	625,599	658,447	691,542
South Dakota.....	301,810	317,657	333,623
Tennessee.....	1,273,545	1,340,415	1,407,788
Texas.....	3,430,412	3,610,534	3,792,007
Utah.....	734,938	773,527	812,407
Vermont.....	210,737	221,802	232,950
Virginia.....	1,037,136	1,091,593	1,146,459
Washington.....	1,263,461	1,329,801	1,396,641
West Virginia.....	563,707	593,306	623,127
Wisconsin.....	1,157,646	1,660,483	1,743,943
Wyoming.....	130,782	137,649	144,568
District of Columbia.....	568,436	598,282	628,354
American Samoa.....	8,755	9,214	9,677
Canal Zone.....	8,293	8,728	9,167
Guam.....	425,371	447,706	470,209
Puerto Rico.....	1,182	1,244	1,307
Virgin Islands.....			

¹ Distribution for each fiscal year made on the basis of fall 1964 full-time degree-credit enrollment.

In order to obtain a Federal contribution to an institution's loan fund, an institution must presently contribute to the fund an amount equal to not less than one-ninth of the Federal contribution. With respect to student loans, the committee considers institutional matching a very desirable feature. However, it is the committee's intention that institutions not be required to match the Federal funds being used for educational opportunity grants. Thus, the original match-

ing provision of title II has been amended so as to require institutional matching for only 75 percent of the total annual Federal contribution—that is, one-ninth of 75 percent. However, institutions participating in the grant provisions being proposed will be required to maintain the level of expenditures in their own student assistance programs.

Student recipients

In keeping with other federally supported student assistance programs, the selection of recipients of educational opportunity grants will rest with the colleges and universities. The committee has considered very carefully the eligibility criteria that the institutions will use in making the selections. Foremost in the committee's consideration was the well-documented need to bring grant assistance to the very needy student. At the same time, it was considered undesirable to draw arbitrary lines which would unnecessarily restrict institutions of higher education and possibly cut off some truly needy students. Also considered was the testimony that frequently the most financially needy students are unable to show high academic achievement and scholastic standing during secondary school. Thus, in order to be selected for an educational opportunity grant, a college or university must determine that the student shows evidence of academic or creative promise and capability of maintaining good standing in his course of study. Further, the college or university must determine that the student is of exceptional financial need. The institution must also determine that the student would be eligible for a loan from the student loan fund, and that this student would not, without an educational opportunity grant, be financially able to pursue a course of study at such institution of higher education.

The committee has not set age limitations with respect to recipients nor is a preference accorded to any specific academic discipline or year of study. It is the student's financial need which is the foremost consideration in the selection of recipients.

Grants

In no event may a grant in any year be less than \$200 nor more than one-half of the total amount of student assistance (including an educational opportunity grant but excluding work study) which the institution makes available to the student, or \$800, whichever is the lesser. To illustrate, if an institution determined that a student's need is \$1,000, the following awards might result:

1. \$500 National Defense Education Act loan—\$500 educational opportunity grant, or
2. \$500 scholarship from the institution's scholarship fund and a \$500 educational opportunity grant.

The Commissioner of Education is directed to prescribe for the guidance of colleges and universities basic criteria or schedules (or both) for the determination of the amount of any educational opportunity grant. The following chart indicates the typical grant awards by income level and family size:

Typical educational opportunity grants by income level and family size

Number of children—	1	2	3	4	5	6	7+
Under \$3,000.....	800	800	800	800	800	800	800
\$3,000 to \$3,600.....	700	800	800	800	800	800	800
\$3,601 to \$4,200.....	600	700	800	800	800	800	800
\$4,201 to \$4,800.....	500	600	700	800	800	800	800
\$4,801 to \$5,400.....	400	500	600	700	800	800	800
\$5,401 to \$6,000.....	300	400	500	600	700	800	800
\$6,001 to \$6,600.....	200	300	400	500	600	700	800
\$6,601 to \$7,200.....	0	200	300	400	500	600	700
\$7,201 to \$7,800.....	0	0	200	300	400	500	600
\$7,801 to \$8,400.....	0	0	0	200	300	400	500
\$8,401 to \$9,000.....	0	0	0	0	200	300	400
\$9,001 to \$9,600.....	0	0	0	0	0	200	300
\$9,601 to \$10,000.....	0	0	0	0	0	0	200

Assuming an average grant of \$500 per student per year, the proposed program in the first year would permit grants to be awarded to approximately 130,000 students. This is approximately equal to the Project Talent findings on the number of low-income youths who are not able to go on to college, primarily because of financial inability.

Identification and encouragement programs

Institutions of higher education can be an important instrument in encouraging qualified youths of exceptional financial need to attend college. There are presently a number of institutions which are actively engaged in identification and encouragement programs. In order to insure that the educational opportunity grants reach the maximum number of qualified, exceptionally needy students, the legislation requires, as a prerequisite to an institution's participation, the implementation of an identification and encouragement program. Such programs will involve, where practical, close working relationship with secondary school teachers and guidance and counseling personnel. The committee wishes to emphasize its desire that conditional or tentative commitments of educational opportunity grants to identified, qualified secondary school students in grades 11 or lower be used as a means to encourage exceptionally needy youths to continue their education beyond secondary school. The bill further provides authority for the Commissioner of Education to contract with public and nonprofit organizations and institutions, and State and local educational agencies, to conduct identification and encouragement programs and to publicize existing forms of student financial aid, including the programs furnished under this bill.

Amendments affecting eligibility of student borrowers

The committee has approved an amendment to extend the benefits of the student loan program, excluding the educational opportunity grant provision, to students in occupational fields for which post-secondary training may be available but for which nationally recognized accrediting agencies have not been designated by the U.S. Commissioner of Education. Where this is the case, schools will be eligible to participate in the student loan program if they meet the requirements set by an advisory committee appointed by the Commissioner pending the development of appropriate accrediting agencies.

Approximately 700,000 persons of college age (18 to 22) are enrolled in postsecondary but less than collegiate level schools. More than

half of these are in business schools and schools of nursing, areas already covered by the NDEA student loan program. Assuming that there are 350,000 students in all other types of postsecondary schools, and since the amendment only applies to nonprofit schools, the provision will affect no more than 100,000 students now enrolled in such institutions. Of these 100,000 students, perhaps 10,000 to 15,000 students might be expected to be assisted by the amendment.

The number of students expected to be assisted may be further limited since the Commissioner would establish an advisory committee, composed of educators and other nongovernmental experts, only if there were no appropriate accrediting agencies in a given field, and only if schools in this field asked to have their programs evaluated so that students enrolled in them might receive student financial aid. In a later section of the bill, an identical amendment to the college work-study program proposes an expansion of that program in the same manner.

PART B—FEDERAL, STATE, AND PRIVATE PROGRAMS OF LOW-INTEREST INSURED LOANS TO STUDENTS IN INSTITUTIONS OF HIGHER EDUCATION

The need

Existing student loan programs have, in most cases, been quite successful. The scope of their assistance, however, is limited. Under the existing Federal student loan program, more than 600,000 college students have borrowed approximately \$453 million. The national defense student loan fund has been set up in 1,574 colleges and universities since the inception of the program in 1958. But this program is restricted to only the neediest students. College costs in this country have now spiraled to a point at which it is not just the very needy who require financial aid. Many students from middle-income families are also finding it difficult to meet the constantly increasing costs of a college education. Private sources of assistance have been and will continue to be helpful, but they reach insufficient numbers of students. Perhaps the present situation is best described by a phrase from a study distributed by United Student Aid Funds: "To be sure of a loan, a student must reside in the right State and attend the right college." What is badly needed now is a comprehensive program for financing the college costs of all who have a legitimate need.

Addressing himself to the obstacles confronting middle-income families trying to provide a college education for their children under existing loan programs, the Commissioner of Education in testimony before the subcommittee noted:

Such families are excluded from virtually all existing State or private nonprofit guarantee programs by a financial needs test. Commercial credit sources remain open to them, of course, but repayment normally runs concurrently with the years in which the student attends college, so that a disproportionate share of family income must still go to the child or children in college. Thus, under the most widely used collegiate method of assessing financial need, the two-parent family with two children and \$13,000 in income is judged to be capable of paying, with no undue hardship, the entire average cost at either a public or private institution

each year for 4 years. To do so means diverting 17 percent of the family income before taxes to meet the cost of education for one child. If two children are in college, the amount increases to 24 percent of family income.

To cite these facts is not to contend that these middle-income families should be relieved of responsibility for paying the costs of higher education for their children. It is rather to suggest that this heavy concentration of expenses should be spread out over more than the 4 years of college through the "loan of convenience" described in part B of title IV. Helping the middle-income student and his family to bear the heavy brunt of college costs would seem to have a reasonable claim on a share of our national commitment to offer every child the fullest possible educational opportunity.

Indeed, it is the students from middle-income families that are now excluded from loan assistance under existing Federal programs. For instance, last year there were approximately 195,000 students entering college who came from families with an income annually of \$9,000 to \$12,000. Of these students, less than 1 out of 20 received a national defense student loan. Moreover, there were approximately 236,000 entering freshmen from families earning more than \$12,000 annually. Only a negligible number of these received a national defense loan. In 1964, State programs provided fewer than 80,000 guaranteed loans for all middle-income students spread through all 4 years of college, although there were then approximately 4,775,000 students in college.

The overwhelming amount of loans will continue to be made to students from families earning less than \$6,000. Too many families are deemed unqualified for student loan assistance because their income level falls outside of some all-too-low figures. Such currently inadequate yardsticks fail to take into account not only the spiraling costs of college education but also the added burden of educating a second college-age child.

The program

The committee proposal with regard to guaranteed student loans is a substantial revision of the introduced version of the program. The changes in the program reflect consideration of the views expressed during the subcommittee hearings on the Higher Education Act of 1965. The provision authorizing the Commissioner of Education to pay a portion of the interest rate on guaranteed loans has been liberalized to provide a more adequate response to the needs of students from middle income families. A program of advances to the States for the strengthening or establishment of State guaranteed student loan programs is included in order to foster the development and growth of such programs. In this connection, the Federal guaranteed program has been reduced from a 5-year program to an interim 3-year program.

State insured student loan programs

A program of advances of not less than \$25,000 per State is provided to assist the States in establishing or strengthening the reserve funds of student loan programs which meet specified minimum standards roughly comparable to the standards embodied in the Federal loan insurance program. The objective is to encourage the development

of comprehensive non-Federal student loan insurance programs in all States.

There is \$17.5 million authorized for this part of the program. Subject to the limitation that no State may receive more than the amount which has been contributed by the State to its student loan insurance fund, this amount will be distributed in proportion to the State's population aged 18 to 22 with a minimum allocation of \$25,000 per State. The resulting distribution can be seen in the following table.

Estimated distribution of \$17,500,000¹ on basis of 18 to 22 population, Apr. 1, 1960

United States and outlying areas-----	<i>Estimated amount</i> \$17, 500, 000		<i>Estimated amount</i>
Alabama-----	338, 194	Nevada-----	26, 905
Alaska-----	34, 129	New Hampshire-----	57, 970
Arizona-----	134, 645	New Jersey-----	486, 028
Arkansas-----	172, 311	New Mexico-----	104, 528
California-----	1, 517, 837	New York-----	1, 421, 166
Colorado-----	178, 848	North Carolina-----	528, 691
Connecticut-----	206, 479	North Dakota-----	61, 802
Delaware-----	41, 080	Ohio-----	898, 744
Florida-----	457, 509	Oklahoma-----	233, 990
Georgia-----	430, 553	Oregon-----	156, 918
Hawaii-----	79, 914	Pennsylvania-----	985, 027
Idaho-----	64, 834	Rhode Island-----	91, 727
Illinois-----	903, 811	South Carolina-----	288, 676
Indiana-----	456, 542	South Dakota-----	62, 843
Iowa-----	253, 452	Tennessee-----	380, 897
Kansas-----	207, 046	Texas-----	992, 566
Kentucky-----	320, 275	Utah-----	98, 707
Louisiana-----	335, 312	Vermont-----	39, 285
Maine-----	95, 341	Virginia-----	453, 172
Maryland-----	294, 756	Washington-----	268, 892
Massachusetts-----	471, 255	West Virginia-----	177, 411
Michigan-----	706, 857	Wisconsin-----	354, 000
Minnesota-----	314, 915	Wyoming-----	29, 675
Mississippi-----	236, 080	District of Columbia-----	89, 034
Missouri-----	403, 301	American Samoa-----	25, 000
Montana-----	62, 719	Guam-----	25, 000
Nebraska-----	128, 964	Puerto Rico-----	289, 387
		Virgin Islands-----	25, 000

¹ Distribution of \$17,500,000 on basis of population aged 18 to 22 (Apr. 1, 1960), with a minimum of \$25,000.

Because of the impetus provided the States through this part of the program, the committee expects that within a relatively short period of time a State student loan insurance program will be operative in each of the States.

Insurance

For the next 3 years there is proposed an interim Federal program of insurance of loans to students who are attending eligible institutions, an institution of higher education which awards a bachelor's degree or offers at least a 2-year program which may be transferred toward such a degree, and who do not have reasonable access to an equivalent State or private program. The principal features of the program are as follows: (1) the insurance will cover 100 percent of unpaid principal but not interest; (2) loans made by eligible institutions (banks, credit unions, etc.) to eligible students will be insured regardless of the income of the student's family; (3) the maximum annual insurable loan is \$1,000 for undergraduates and \$2,000 for

graduate students, and the maximum aggregate of insured unpaid principal is \$5,000 for undergraduates and \$7,500 for graduate students; (4) the repayment period is not less than 5 years (unless sooner repaid) nor more than 10 years, beginning 6 months to 1 year after the student leaves school, with a maximum loan period of 15 years; (5) minimum annual repayment is \$360; (6) the loan must be made without security and endorsement, unless State law requires an endorsement; and (7) the maximum rate of interest chargeable by the lender is set by the Secretary on a national, regional, or other appropriate basis, but it may not exceed 6 percent or in exceptional circumstances, 7 percent. Assuming that the average student loan will be \$750, over 900,000 students during the first year will be aided under this proposal which permits the total principal amount of new loans under the program to reach \$700 million in fiscal year 1966. It is expected that the proposal will help over 1.8 billion students in the third and final year of the program.

Interest subsidy

In addition to the insurance feature of the program, there is also proposed an interest subsidy of student loans. The subsidy for students from families having annual adjusted incomes of less than \$15,000 is 100 percent while the student is in college and 3 percentage points thereafter. For students from families having higher incomes there is no interest subsidy but they can use the insurance program. The adjusted family income of a student shall be determined pursuant to regulation of the Commissioner in effect at the time the loan is paid to the student. The legislation requires that such factors as family size be taken into account in determining the adjusted family income. The committee is cognizant of the fact that there may be a number of legitimate factors which effect a family's ability to finance a college education and thus the student's need for financial assistance. Certainly the size of the family, and particularly the number of children in college at any one time, has a direct bearing on a family's or student's ability to pay. The following table shows the manner in which the family income might be adjusted to take into account the above factors.

In order to qualify for interest subsidy family income must be below these levels at time loan is made

Number of persons in family attending institutions of higher education	Number of members of family				
	1 to 4	5	6	7	8
1.....	\$15,000	\$15,600	\$16,200	\$16,800	\$17,400
2.....	16,000	16,600	17,200	17,800	18,400
3.....	17,000	17,600	18,200	18,800	19,400
4.....	18,000	18,600	19,200	19,800	20,400
5.....		19,600	20,200	20,800	21,400

The interest subsidy applies both to federally insured loans and to loans insured under State and private nonprofit programs which meet specified minimum standards roughly comparable to the standards embodied in the Federal loan insurance program and which have been approved for this purpose by the Commissioner.

PART C—COLLEGE WORK-STUDY PROGRAM EXTENSION AND AMENDMENTS

Amendments to the program

This section of the bill contains four important provisions for extending and improving the college work-study program which was enacted last year as part of the Economic Opportunity Act.

During consideration of the Economic Opportunity Act last year, great concern was expressed by members of the committee in placing the administration of the college work-study program in the Office of Economic Opportunity. There is proposed, therefore, a transfer of the responsibility for administration from the Office of Economic Opportunity to the Office of Education. This is desirable in view of the fact that work-study is a program designed to assist students in financing their college education. It was intended to supplement other types of student financial aid, such as National Defense Education Act loans and scholarship program. It is common, for example, that work-study provides \$500 of \$1,200 education costs—the rest being secured through other loans and scholarships. To insure the effective interaction of the Federal financial aid programs—most notably National Defense Education Act loans and college work-study—proper coordination is necessary. The U.S. Office of Education is best prepared to do this.

In addition, this part of the bill broadens the work-study program by making students needing aid eligible for participation. The original legislation limits eligibility to students from low-income families. Preference shall continue to be given to the children of low-income families, but the rigid limitation of the original bill severely handicapped many universities who have great numbers of students requiring assistance, yet few who are technically from low-income families. This amendment takes into account the fact that a good college education is, in many cases, so expensive that it is not only the very poor who must have financial assistance to afford it.

Under the existing act a Federal subsidy of 90 percent of the work-study program was provided for the first 2 years of the program. This was intended to give the program strong initial impetus. An amendment to extend this rate of Federal financing is required because the work-study program began last year in midyear, and, therefore, many universities had little opportunity at that time to adopt the new program. The academic year 1966-67 will, thus, be the first real opportunity for colleges across the Nation to implement a work-study program on a large scale. This is evidenced by the fact that 1,105 institutions have already applied for funds for next fall, whereas only 678 institutions participated last spring. It is intended that the 90-percent Federal financing should continue through June 30, 1967, at which time it will be reduced to 75 percent.

Under the bill the authorization of funds for the work-study program is increased to \$129 million for fiscal year 1966. Three developments necessitate such an appropriation. As indicated above, the work-study program is broadened to make more students eligible for its benefits. Also as noted above, more institutions will participate in the program in 1965-66. Freshmen enrollments in institutions of higher education continue to increase at a remarkable rate—the fall of 1965 is expected to see a record entering class. The \$129 million proposed for the program, when combined with 10 percent institu-

tional matching funds and with that portion of the fiscal 1965 appropriation earmarked for summer programs, give employment to approximately 300,000 students and provide them with average earnings of \$500 per year.

Testimony from the AFL-CIO director of legislation, Mr. Andrew Biemiller, aptly summed up the spirit and interest of the work-study program when he stated before the House Special Subcommittee on Education that aid for students in higher education must involve more than a single approach.

By making the college work study program, begun under the Economic Opportunity Act of 1964, an integral part of a system of student aid, the present Higher Education Act of 1965 will create a range of possible forms of aid from which to shape a program of financial assistance uniquely fitted to the individual needs of each student.

TITLE V—AMENDMENTS TO HIGHER EDUCATION FACILITIES ACT OF 1963

Title I—Authorizations

During the hearings conducted by the House Special Subcommittee on Education in Chicago, Mr. Stanley J. Wenberg, vice president of education relationships and development at the University of Minnesota, was asked to indicate which Federal program or proposal he felt was of the highest priority. He responded:

I think our position would be that if there could be adequate funding for additional resources under the academic facilities program, we would place that in the first place * * * we would place the enlargement of the academic facilities program first.

Mr. Wenberg's response is representative of the view of many other witnesses and of the comments of university presidents and officials who have written to the committee.

Experience during the present fiscal year shows that the demand for grants under the Higher Education Facilities Act for the construction of undergraduate academic facilities for public community colleges and technical institutions and also for other institutions of higher education greatly exceeds the money available under the existing authority. Institutions of higher education have been able to absorb very rapidly the grants which have been available.

A report of the various States of their additional requests for grants as of May 17, 1965, indicates that the value of applications for which no funds were available amounted to \$72.3 million with respect to public community colleges and public technical institutes and \$118.2 million with respect to 4-year institutions—totaling \$190.5 million. The following table shows the surplus demand by State of the amount for which no funds were available.

Title I—Surplus demand reported by States

	Sec. 103	Sec. 104		Sec. 103	Sec. 104
Total.....	\$72, 274, 687	\$118, 192, 974	Mississippi.....	\$243, 197	\$267, 737
Alabama.....	4, 651, 087		Missouri.....	2, 072, 967	582, 597
Arizona.....	9, 620	242, 690	Nebraska.....		974, 836
Arkansas.....		69, 712	New Hampshire.....	197, 785	390, 939
California.....	33, 004, 619	21, 332, 904	New Jersey.....	3, 530, 370	
Colorado.....	487, 428	1, 206, 510	New Mexico.....		1, 030, 513
Connecticut.....	1, 442, 678	2, 915, 228	New York.....	5, 345, 690	32, 998, 090
Delaware.....		481, 207	North Carolina.....	1, 843, 285	295, 632
District of Columbia.....		52, 757	Ohio.....	2, 882, 817	9, 506, 150
Florida.....	128, 380	1, 440, 297	Oregon.....	14, 506	757, 763
Hawaii.....	800	16, 571	Pennsylvania.....	(1)	1, 480, 427
Idaho.....	239, 307		Rhode Island.....	46, 223	285, 836
Illinois.....	1, 019, 821	2, 691, 768	South Carolina.....	437, 260	1, 300, 000
Indiana.....	43, 427		South Dakota.....		35, 791
Iowa.....		2, 742, 644	Tennessee.....	681, 675	1, 536, 670
Kansas.....		695, 233	Texas.....	2, 671, 661	6, 649, 572
Kentucky.....		2, 722, 205	Utah.....		832, 005
Louisiana.....	1, 195, 000		Vermont.....	40, 777	1, 583, 287
Maine.....		641, 830	Washington.....	988, 230	1, 595, 067
Maryland.....		951, 396	West Virginia.....		1, 460, 980
Massachusetts.....		4, 386, 104	Wisconsin.....	501, 860	2, 776, 093
Michigan.....	8, 274, 893	5, 547, 569	Wyoming.....	37, 769	648, 368
Minnesota.....	33, 607	2, 643, 768	Puerto Rico.....	207, 943	424, 228

¹ Not reported.

Further evidence of the need for additional funds is seen in the fact that State commissions foresee that the demands for grants in fiscal year 1966 under title I will far exceed the allocations possible under the existing authorization and the private and public funds available to match Federal grants. Both points are clearly shown in the following table which was derived from a survey in which replies were received from 44 States, the District of Columbia, and Puerto Rico.

Higher Education Facilities Act, title I, estimate of 1966—Requirements based on State survey

[Dollars in millions]

	Fiscal year 1966		
	Sec. 103	Sec. 104	Total
1. Number of projects.....	400	970	1, 370
2. Total development costs.....	\$513. 9	\$1, 699. 9	\$2, 213. 8
3. Federal share:			
A. Demand.....	\$202. 1	\$519. 1	\$721. 2
B. Allocation under existing authority.....	\$101. 2	\$358. 8	\$460. 0
4. Institutional funds:			
A. Required to match Federal funds (3B above).....	\$151. 8	\$717. 6	\$869. 4
B. Presently assured to be available.....	\$148. 8	\$685. 8	\$834. 6

In the 2 years that have lapsed since the Higher Education Facilities Act was enacted, enrollments have increased in colleges at a faster pace than anticipated. Actual enrollment in the fall of 1964 totaled 4,988,000 students, over 200,000 more than the estimate considered in providing authorizations for the Higher Education Facilities Act. Thus, the quickening increase of students has resulted in greater demands for grants and will cause proportionately heavier requests in future years. The committee, therefore, proposes a doubling of the authorization for title I of the Higher Education Facilities Act for fiscal year 1966. This will provide for an additional \$230 million

for grants to assist in the construction of undergraduate academic facilities. The distribution of this amount by States can be seen in the following table.

Estimated distribution of \$460,000,000 under proposed amendments to Higher Education Facilities Act of 1963

	Total estimated amounts	For public community college and public technical institutes ¹	For undergraduate institutions other than public community colleges and public technical institutes ²
United States and outlying areas	\$4,60,000,000	\$101,200,000	\$358,800,000
Alabama	7,553,934	2,207,178	5,346,756
Alaska	346,761	71,146	275,615
Arizona	4,316,235	824,797	3,491,438
Arkansas	4,608,556	1,376,416	3,232,140
California	47,184,561	7,796,796	39,387,765
Colorado	5,276,137	1,015,162	4,260,975
Connecticut	5,865,499	1,064,814	4,800,685
Delaware	1,001,304	169,749	831,555
Florida	11,649,050	2,833,276	8,815,774
Georgia	8,984,324	2,488,602	6,495,722
Hawaii	1,693,020	438,716	1,254,304
Idaho	1,912,422	497,668	1,414,754
Illinois	22,872,727	4,231,887	18,640,840
Indiana	11,941,491	2,630,981	9,310,510
Iowa	7,563,971	1,769,164	3,794,807
Kansas	6,190,012	1,388,785	4,801,227
Kentucky	7,224,571	1,975,495	5,249,076
Louisiana	8,659,280	2,304,641	6,354,639
Maine	2,265,539	627,677	1,637,862
Maryland	7,364,959	1,530,462	5,834,497
Massachusetts	13,921,366	2,542,208	11,379,163
Michigan	20,381,244	4,314,174	16,067,070
Minnesota	10,050,043	2,411,667	7,638,376
Mississippi	5,419,435	1,438,526	3,980,909
Missouri	10,451,547	2,161,824	8,289,723
Montana	1,877,156	446,787	1,430,363
Nebraska	3,844,957	854,887	2,990,070
Nevada	680,246	113,605	566,641
New Hampshire	1,681,935	391,344	1,290,591
New Jersey	12,217,667	2,839,593	9,378,074
New Mexico	2,567,029	611,536	1,955,493
New York	38,590,203	6,988,667	31,601,536
North Carolina	11,617,855	3,026,448	8,591,407
North Dakota	1,953,976	500,212	1,453,764
Ohio	23,705,972	5,305,562	18,400,410
Oklahoma	6,850,457	1,608,275	5,242,182
Oregon	5,331,579	1,128,391	4,202,988
Pennsylvania	26,858,208	6,790,319	20,067,889
Rhode Island	2,154,168	466,525	1,687,643
South Carolina	5,576,112	1,672,578	3,903,534
South Dakota	1,982,557	510,914	1,471,643
Tennessee	8,984,754	2,388,770	6,595,984
Texas	23,471,466	5,132,655	18,338,811
Utah	3,635,624	651,100	2,984,524
Vermont	1,184,116	260,596	923,220
Virginia	8,715,780	2,175,772	6,540,008
Washington	8,339,582	1,745,741	6,593,841
West Virginia	4,677,960	1,332,729	3,345,231
Wisconsin	10,915,026	2,562,730	8,352,296
Wyoming	866,736	175,715	691,021
District of Columbia	2,520,109	167,995	2,352,114
American Samoa	39,272	13,861	25,411
Canal Zone			
Guam	148,640	42,284	106,356
Puerto Rico	4,260,547	1,164,909	3,095,638
Virgin Islands	42,329	17,194	35,135

¹ 22 percent (\$101,200,000) of \$460,000,000 distributed on the basis of State products of 1963-64 high school graduates and fiscal year 1966 allotment ratios, with limits of 0.3333 and 0.6667.

² Balance distributed $\frac{1}{2}$ on fall 1964 grade 9 to 12 enrollment, and $\frac{1}{2}$ on fall 1964 full time and full-time equivalent degree-credit and nondegree-credit enrollment in institutions of higher education.

Public community colleges and technical institutes

Under title I of the Higher Education Facilities Act there is a variable matching requirement for Federal grants with respect to construction of facilities in 4-year institutions. That is, the State commission fixes the amount of the Federal share, which cannot exceed one-third of the cost of a project. However, in the case of public community colleges and public technical institutes the Federal share must equal 40 percent of the cost of a project.

The committee has observed that this inflexible provision has resulted in a use of Federal grants which is inconsistent with the objectives of the act. In order to insure that situations do not arise in which an entire State's allotment is obligated to just one project, and to provide for greater flexibility in the distribution of grant funds for public community colleges and public technical institutes, the committee has recommended that the provision requiring a flat 40 percent be revised along the lines of the variable matching requirement provision for the 4-year institution segment of the program. Thus, the State commission will be provided with the flexibility to fix the amount of the Federal share which cannot exceed 40 percent for projects involving the construction of the public community college and public technical institutes.

Title II—Authorizations

The committee has also recommended a doubling of the authorizations for title II of the Higher Education Facilities Act. This will result in providing \$120 million in fiscal year 1966 for the program of grants for the construction of graduate academic facilities.

The status of the program as of May 14, 1965, can be summarized as follows:

A. Federal funds granted in 23 approved applications.....	\$21, 220, 434
B. Federal funds requested in 89 applications on hand.....	60, 832, 445
C. Federal funds requested in 42 applications in preparation.....	33, 137, 332
Total Federal funds granted and requested.....	116, 323, 019

In summary, 124 applications had been received by the Office of Education and 76 applications were in preparation, with a total development cost of \$490 million, the Federal share of which would be \$116 million.

Under title II and title III of the Higher Education Act of 1965 assistance is provided for institutional cooperative programs primarily at the undergraduate level. In doubling the authorization for title II of the Higher Education Facilities Act, under which grants may be provided for the construction of cooperative graduate centers, the committee wishes to encourage a more extensive development of cooperative arrangements at the graduate level.

TITLE VI—ADVISORY COUNCIL TO HOUSE COMMITTEE ON EDUCATION AND LABOR

The need

For many years the executive branch of the Government has had at its disposal hundreds of advisory committees and panels composed of thousands of knowledgeable people. In the Office of Education alone, there are currently 32 advisory committees counseling that Office on matters concerning education; 15 of these committees are

concerned with issues related to higher education. Indeed in the Higher Education Act of 1965 there are provisions for the establishment of four more such advisory committees to the Office of Education.

In the field of higher education, the Congress is annually called upon to amend existing laws or legislate new programs. To maximize the opportunity Congress now has to make a recurrent and substantial contribution to the improvement of American higher education, the committee deems it advisable to have a professional consulting body, an advisory council, thoroughly acquainted with all the inherent complexities that accompany the Higher Education Act of 1965, to consult with in its deliberations.

A most important advantage offered by the establishment of such a body would be the continuing nature of its study which would include an examination and reexamination of the provisions and implications of this act. As the Higher Education Act of 1965 is implemented, such an advisory council could keep sight of its objectives in the process of studying its results. In turn, the deliberations of a council would be available on a direct basis at periodic intervals to members of the House Committee on Education and Labor as well as to the entire Congress. Thus, the congressional analysis in this vital area would not depend on secondhand information and program review. Rather, original evidence would form the crux of constructive legislative action in the field of higher education.

Such an advisory council would have two equally important functions. It would make not only studies but also recommendations to the Congress on the implementation and continuing activities brought about by the Higher Education Act of 1965. Alone, study or recommendation is insufficient. Together, they represent a potentially dynamic procedure for the responsibility with which the advisory council would be assigned.

The proposal

Title VI provides for the establishment of an Advisory Council to the House Committee on Education and Labor which shall be responsible for making studies and recommendations to the House Committee on Education and Labor on all matters pertaining to the successful expedition of this act. Composed of persons well versed in the fields covered by the legislation, this Council would afford invaluable and continuing assistance to the Congress in its direction of the intricate and vitally important programs embodied in the Higher Education Act of 1965.

The Advisory Council is in great measure a unique and much needed addition to the body of wise counsel and advice needed at all times by the Congress. The Council will be a working group, appointed by the chairman of the committee, responsible to the Congress, and composed of a number of people ready to devote considerable time and energy to a thorough review and analysis of the act. The cogent deliberations of the Council will provide a means for constant appraisal of the effectiveness of individual programs embodied in this act. And the Council's discussions eventually will evolve into constructive recommendations directed to the House Committee on Education and Labor for improvement and modification of the Higher Education Act of 1965.

The Advisory Council shall meet at the call of the chairman at least twice a year. Members of the Council who are not full-time em-

ployees of the United States shall be paid at a rate fixed by the chairman not to exceed \$100 a day including travel time. Traveling expenses, including per diem, shall be paid as authorized by section 5 of the Administrative Expenses Act of 1946.

SECTION-BY-SECTION ANALYSIS

Section 1

This section provides that this act may be cited as the "Higher Education Act of 1965."

TITLE I—COMMUNITY SERVICE PROGRAMS

Section 101. Declaration of purposes; appropriations authorized

Subsection (a) of this section states the congressional finding that institutions of higher education can through offering community service programs help solve urban and suburban community problems. The purpose of this title is to provide a program of support for institutions of higher education which offer community service programs.

Subsection (b) authorizes the appropriation of \$50 million for making grants under this title for the first year of a 5-year program beginning July 1, 1965.

Section 102. Definition of community service program

A community service program, for purposes of this title, is an educational program, activity, or service which is either (1) specifically designed to assist in the solution of urban or suburban problems or (2) designed to assist in the solution of community problems where the offering institution determines that the program, activity, or service is not otherwise available and is consistent with the institution's resources and overall educational program. All course offerings must be university extension and continuing education courses, must be college level and fully acceptable toward an academic degree, and may not be frivolous.

Section 103. Allotment to States

Subsection (a) of this section provides for the allotment among the States of the sums appropriated for each fiscal year pursuant to section 101. Guam, American Samoa, Puerto Rico, and the Virgin Islands are each allotted \$25,000, and the other States (including the District of Columbia) are each allotted \$100,000. The remainder of the appropriation is allotted among the States in proportion to their population.

Subsection (b) provides for reallocation among the States of the unused portion of any State's allotment.

Subsection (c) permits States to combine their allotments.

Section 104. Use of allotted funds

A State's allotment may be used in accordance with its State plan to provide new, expanded, or improved community service programs.

Section 105. State plan

In order for a State to receive its allotment it must either (1) designate an agency qualified to solve community problems which is broadly representative of institutions of higher education competent to offer community service programs in the State or (2) designate an agency

which does not meet all of these qualifications but which is required to consult with an advisory council in the State which meets the qualifications which the agency lacks. The agency must submit a State plan which sets forth a comprehensive, coordinated, and state-wide system of community service programs (administered by the agency) for which funds allotted to the State will be spent. The plan must provide for allocating Federal funds to institutions of higher education according to each institution's capacity and willingness to provide community service programs, the need for such programs in the State, and the results of periodic evaluations of need for, and effectiveness in carrying out of, such programs within the State. The plan must assure that Federal funds will supplement and to the extent practicable increase funds otherwise available for community service programs, and must provide for certain reports and accounting procedures. The Commissioner of Education is directed to approve any plan meeting the requirements of this section.

Section 106. Payments

This section provides that payments from a State's allotment will be made to the State agency to carry out the State plan. The Federal share of the cost of carrying out the State plan will equal 75 percent in the fiscal year ending in 1966 and 50 percent in each of the 4 succeeding years. This section also prescribes the manner of payment and certain limitations on the extent to which funds under this title will be available to pay administrative costs and costs with respect to which payments have been received under other Federal programs.

Section 107. Administration of State plan

This section requires a hearing before the Commissioner of Education before he finally disapproves a State plan and before he determines a State has become ineligible to participate further under this title. A State with an approved plan may become ineligible if its plan is so changed or administered that the plan or its administration does not comply with the requirements of section 105.

Section 108. Judicial review

A State dissatisfied with the Commissioner's action in disapproving its plan or in determining that the State is ineligible to participate further under this title may obtain review of such action by a United States court of appeals.

Section 109. National Advisory Committee on Community Service Programs

This section establishes a National Advisory Committee on Community Service Programs to advise the Commissioner on the preparation of general regulations and on policy matters arising in the administration of this title (including the approval of State plans). The committee would consist of the Commissioner, at least eight persons representing Federal agencies having extension education responsibilities, and six other members.

Section 110. Review of community service programs and of the provisions of this title

This section directs the Secretary of Health, Education, and Welfare to appoint during 1968 a 12-member Review Council on Community Service Programs to review the administration and effectiveness of community service programs under this title.

Section 111. Relationship to other extension programs

This section states that title I does not modify authorities under certain other Federal extension and vocational education programs.

**TITLE II—COLLEGE LIBRARY ASSISTANCE AND LIBRARY TRAINING
AND RESEARCH****PART A—COLLEGE LIBRARY RESOURCES***Section 201. Appropriations authorized*

This section authorizes \$50 million for the first year of a 5-year program beginning July 1, 1965, for making grants under this part to institutions of higher education to assist them to acquire books and certain other materials for library purposes.

Section 202. Basic grants

Seventy-five percent of appropriations pursuant to section 201 may be used for basic grants under this section, and for supplemental grants under section 203, to institutions of higher education and combinations of such institutions. A basic grant may not exceed \$5,000 per institution. Basic grants may be made only after the Commissioner approves an application which provides satisfactory assurance that the applicant will expend during the fiscal year for which the grant is requested (from funds other than funds received under this part) (1) for all library purposes (exclusive of construction) an amount not less than the sum of (A) the average annual amount it expended for such purposes during the 2-year period ending June 30, 1965, plus (B) the amount of such grant, and (2) for books and certain other materials, an amount not less than the average annual amount it expended for such materials during the 2-year period ending June 30, 1965. The application must also provide for certain accounting procedures and reports.

Section 203. Supplemental grants

This section permits the Commissioner to make supplemental grants to institutions of higher education and combinations of such institutions. Supplemental grants may not exceed \$10 per full-time student (or his part-time equivalent) enrolled in each such institution. Supplemental grants may be made only after the Commissioner approves an application which meets the requirements of section 202 (except for the matching requirement), which describes the library resources of the applicant in relation to its enrollment, which sets forth any special circumstances which are impeding or will impede proper development of its library resources, and which provides a general description of how a supplemental grant would be used to improve the size and quality of its library resources. Approval of applications will be on the basis of criteria prescribed in regulations and developed after consultation with the council created under section 205.

Section 204. Special purpose grants

Twenty-five percent of the appropriation under section 201, plus any sums not needed for making grants under sections 202 and 203, may be used by the Commissioner to make grants to (1) institutions which specially need and can substantially benefit from additional

library resources, (2) institutions which need assistance in meeting special national or regional library needs, and (3) combinations of institutions which need assistance in establishing joint-use facilities.

Section 205. Advisory Council on College Library Resources

This section establishes an Advisory Council on College Library Resources to advise the Commissioner on the establishment of criteria for making supplemental grants under section 203 and special-purpose grants under section 204. The Council would consist of the Commissioner and eight other members.

Section 206. Accreditation requirement for purposes of this part

This section states that an institution shall be deemed accredited for the purposes of this part if upon acquisition of additional library resources it will become accredited in the future.

Section 207. Limitation

This section forbids making grants for materials to be used for certain sectarian and religious purposes.

Section 208. Consultation with State agency

This section requires an institution receiving a grant under this part to consult with the higher education agency (if any) in its State.

PART B—LIBRARY TRAINING AND RESEARCH

Section 221. Appropriations authorized

This section authorizes the appropriation of \$15 million to carry out this part for the first year of a 5-year program beginning July 1, 1965.

Section 222. Definition of "librarianship"

This section defines librarianship, which is the principles and practices of the library and information sciences.

Section 223. Grants for training and librarianship

This section authorizes the Commissioner to make grants to institutions of higher education to assist them in training persons in librarianship. The grants may be used by the institutions to assist in covering the cost of training such persons and to establish fellowships or traineeships, with stipends. The Commissioner may make a grant to an institution of higher education, on application by the institution, upon his finding that its program will increase opportunities for training in librarianship.

Section 224. Research and demonstrations relating to libraries and training of library personnel

Subsection (a) of this section authorizes the Commissioner to make grants to nonprofit agencies, institutions, and organizations for research and demonstration projects to improve libraries or training in librarianship.

Subsection (b) authorizes the Commissioner to appoint a committee of not more than nine members to advise him on research and demonstration projects to improve libraries and training in librarianship.

Section 225. Repealer

This section repeals the provisions in the National Defense Education Act of 1958 which authorized grants to institutions for institutes

for advanced study to improve the qualifications of elementary and secondary school library personnel.

PART C—STRENGTHENING COLLEGE AND RESEARCH LIBRARY
RESOURCES

Section 231. Appropriations authorized

This section authorizes the Commissioner to transfer funds appropriated pursuant to this section to the Librarian of Congress to enable him (1) to acquire, so far as possible, all library materials currently published throughout the world which are of value to scholarship, (2) to catalog such materials, and (3) to use for exchange and other purposes materials not needed by the Library of Congress. \$5 million is authorized to be appropriated for the first year of a 5-year program under this section, beginning July 1, 1965.

TITLE III—STRENGTHENING DEVELOPING INSTITUTIONS

Section 301. Statement of purpose, and appropriations authorized

Subsection (a) of section 301 states the purpose of title III to be to assist in raising the academic quality of colleges which potentially could make a substantial contribution to higher education, by enabling the Commission (1) to establish a national teaching fellow program and (2) to assist in the establishment of cooperative arrangements under which these colleges may draw on the educational resources of other institutions of higher education and of business and industry.

Subsection (b) authorizes \$30 million for the first year of the 5-year program under this title, beginning July 1, 1965.

Section 302. Definition of "developing institution"

This section defines the term "developing institution" as a public or nonprofit educational institution in any State which admits only secondary school graduates, which by the end of the academic year for which it seeks assistance will have awarded a bachelor's degree for 6 consecutive years, which is accredited or is making reasonable progress toward accreditation, which is making reasonable effort to improve the quality of its teaching and administrative staff and its student services but which is seriously handicapped in doing so by lack of financial resources and qualified professional personnel, which does not prepare students to enter certain religious vocations, and which meets such other requirements as the Commissioner may by regulation prescribe.

Section 303. Advisory Council on Developing Institutions

This section authorizes the Commissioner to establish an Advisory Council on Developing Institutions to advise him on policy matters arising in the administration of this title and on identifying those developing institutions which are to be assisted under this title. The Council will consist of the Commissioner, representatives of Federal agencies designated by the Commissioner as having responsibilities with respect to developing institutions, and eight other members.

Section 304. Grants for cooperative agreements to strengthen developing institutions

This section authorizes the Commissioner to make grants to developing institutions and other colleges and universities to pay part of

the cost of planning, developing, and carrying out cooperative arrangements (between institutions, agencies, organizations, or businesses and developing institutions) which promise to strengthen the academic programs of developing institutions. A grant may be made under this section only upon approval by the Commissioner of an application which describes the cooperative arrangements to be assisted and contains certain provisions relating to maintenance of effort, accounting, and reporting. The Commissioner is required, after consultation with the Advisory Council, to establish criteria for preventing the use of grants under this section for expenditures not necessary to the achievement of the purposes of this title.

Section 305. National teaching fellowships

This section authorizes the Commissioner to award fellowships to highly qualifying graduate students and junior members of the faculty of colleges and universities to encourage such individuals to teach at developing institutions. Fellowships may be awarded on application by the developing institution only upon a finding by the Commissioner that the program of teaching set forth in the application is reasonable in the light of the qualifications of teaching fellow and of the educational needs of the applicant. Fellowships may not exceed 2 academic years or extend beyond June 30, 1970. Yearly fellowship stipends may not exceed \$6,500, plus a dependent's allowance.

TITLE IV—STUDENT ASSISTANCE

PART A—EDUCATIONAL OPPORTUNITY GRANTS

Section 401. Authorization of appropriations

Section 401 of the bill amends section 201 of the National Defense Education Act of 1958 (referred to as NDEA) which presently authorizes, through the fiscal year ending in 1968, up to \$195 million annually for making Federal capital contributions to establish at institutions of higher education funds for making low-interest loans to students. The amendment increases each year's authorization for such Federal contributions in order to permit institutions of higher education (other than certain unaccredited occupational schools) to make initial year educational opportunity grants from their student loan funds. The amendment, in addition, authorizes such amounts as may be necessary to make Federal contributions to student loan funds to enable institutions to make educational opportunity grants to students who in previous years received initial year educational opportunity grants.

Section 402. Allotments

The amendment to section 202 of NDEA made by this section insures that the section 202 formula for allotment among the States of Federal contributions to student loan funds applies in the case of contributions available for loans and educational opportunity grants, but does not apply in the case of contributions available only for other-than-initial-year grants.

Section 403. Federal capital contributions

Section 403 amends section 203 of NDEA, which relates to the manner of payment of Federal capital contributions to institutions of higher education for student loan funds. Under the amendment,

contributions available either for initial-year grants or for loans would be paid to institutions in the same manner as funds available for loan are presently paid, but contributions available for other-than-initial-year grants would be separately paid on the basis of each institution's need to make such grants to its students.

Section 404. Conditions of agreement

This section amends section 204 of NDEA, which relates to the conditions of agreement between the Commissioner and institutions receiving Federal contributions for their student loan funds. Subsection (a) of this section reduces the amount required to be contributed by the institution to student loan funds from one-ninth to one-twelfth of the Federal contribution. Subsection (b) permits institutions, other than certain unaccredited occupational schools, to use their student loan funds for educational opportunity grants as well as for student loans. Subsection (c) requires that agreements between the Commissioner and institutions making educational opportunity grants must contain certain additional provisions requiring that grants be made only in accordance with the new section 206 of NDEA to full-time students, that the institution take steps to identify qualified secondary school students of exceptional financial need and to induce them to continue their education beyond secondary school, and that the institution will maintain its efforts in its own scholarship and student aid programs.

Section 405. Educational opportunity grants

This section inserts four new sections in title II of NDEA.

The new section 206 sets out the conditions under which educational opportunity grants may be made from student loan funds. Grants may be made only to students who the institution determines (1) show evidence of academic or creative promise and capability of maintaining good standing in their course of study, (2) are of exceptional financial need, (3) are eligible for a loan from such fund, and (4) would not, but for an educational opportunity grant, be financially able to pursue a course of study at such institution of higher education. A student may receive a grant for the period required to finish his undergraduate education, but in no case for more than 4 academic years. The granting institution determines the amount of the grant for each year of the period on the basis of criteria or schedules (prescribed by the Commissioner) which take account of the financial need of the recipient and other factors, but in no event may a grant be more than either \$800 or one-half of the financial aid (other than under work-study programs) provided the grantee by the institution. If the amount determined is less than \$200 no payment may be made for that year.

The new section 207 limits the amount of initial-year grants made by any institution from its student loan fund in any year to 25 percent of Federal capital contributions to the fund (exclusive of contributions for other-than-initial-year grants).

The new section 208 authorizes the Commissioner to contract with public or nonprofit agencies, organizations, and institutions to identify qualified youths of exceptional financial need, to encourage them to undertake postsecondary education, to publicize available student financial aid, and to encourage qualified secondary school and college dropouts to reenter educational programs.

Section 406. Distributions from student loan funds

This section amends section 209 of NDEA (as redesignated), which presently provides that in the case of a liquidation of, or other distribution from, a student loan fund, the distributed assets of the fund will be divided between the institution and the United States in proportion to their respective contributions to it. The amendment would insure that amounts contributed by the United States, but spent from the fund for educational opportunity grants, would not be counted toward the Federal contribution for purposes of computing the proportion of assets the United States receives in the distribution.

Section 407. Amendments to definitions

This section amends the NDEA definition of "institution of higher education" in order to include certain unaccredited colleges and occupational schools. The amendment permits an educational institution which meets all of the requirements for institutions of higher education except the accreditation requirement to qualify as an institution of higher education under all of the titles of NDEA if the Commission determines that there is satisfactory assurance that the institution will become accredited within a reasonable time.

The amendment also changes the present provision that business schools or technical institutions which meet all of the requirements for institutions of higher education except the requirement that they award a bachelor's degree or provide a 2-year program, may qualify as institutions of higher education for the purposes of title II. The amendment would qualify as institutions of higher education (for purposes of title II) these schools and others which prepare students for gainful employment in recognized occupations, but only if they offer a 1-year program and either are accredited or, if not accredited because of the lack of an accrediting agency, meet standards prescribed by an advisory committee appointed by the Commissioner. This latter category of occupational schools may not make educational opportunity grants.

PART B—FEDERAL, STATE, AND PRIVATE PROGRAMS OF LOW-INTEREST
INSURED LOANS TO STUDENTS IN INSTITUTIONS OF HIGHER EDU-
CATION

Section 421. Statement of purpose and appropriations authorized

Subsection (a) of this section states that it is the purpose of this part to enable the Commissioner (1) to encourage States and nonprofit institutions and organizations to establish adequate insurance programs for students in eligible institutions, (2) to insure loans by eligible lenders to students in eligible institutions who do not have access to adequate loan insurance programs, and (3) to pay a portion of the interest on certain student loans insured under this part or under certain State or private loan insurance programs. "Eligible lender" and "eligible institution" are defined in section 434.

Subsection (b) of this section authorizes the appropriation (1) of \$1 million, plus such further sums as may be necessary, for the establishment of a student loan fund, (2) of such sums as may be necessary to make interest payments on insured loans under section 428, and (3) of \$17.5 million to make advances under section 422 to State student loan insurance reserve funds.

Section 422. Advances for reserve funds of State loan insurance programs

Subsection (a) of this section authorizes the Commissioner to make repayable advances to any State with which he has made an agreement pursuant to section 428(b), for the purpose of helping to establish or strengthen the reserve fund of the student loan insurance program covered by that agreement. Advances and repayments under this subsection will be upon terms and conditions prescribed by the Commissioner.

The \$17.5 million authorized for advances under subsection (a) is to be allocated among the States in proportion to their population aged 18-22, inclusive, but with no State receiving less than \$25,000. An advance to a State may not exceed the amount contributed by it to its student loan insurance reserve fund.

Section 423. Effect of adequate non-Federal programs

This section prohibits the Commissioner from insuring loans to students whom he determines have access to other State or private loan insurance programs meeting minimum standards prescribed by him.

Section 424. Scope and duration of loan insurance program

Subsection (a) limits the total principal amount of new loans made (and installments paid pursuant to lines of credit) to students covered by insurance under this part to \$700 million in the fiscal year ending in 1966, \$1 billion in the fiscal year ending in 1967, and \$1,400 million in the fiscal year ending in 1968. Thereafter, insurance under this part may be granted only for loans made (or for loan installments paid pursuant to lines of credit) to enable students, who have obtained prior loans insured under this part, to continue or complete their educational program; but no insurance may be granted for any loan made or installment paid after June 30, 1972.

Subsection (b) permits the Commissioner to assign insurance quotas to States, areas, or eligible lenders.

Section 425. Limitations on individual loans and on insurance

Subsection (a) of this section limits the amount of insured loans made to a student to \$2,000 per year in the case of a graduate or professional student, and to \$1,000 per year in the case of any other student. The overall amount of insurance on the unpaid principal of loans may not at any time exceed \$7,500 in the case of a graduate or professional student, or \$5,000 for any other student. Under subsection (b) the liability of the United States on an insured loan is limited to the amount of unpaid principal and does not extend to accrued interest.

Section 426. Sources of funds

This section permits insurance of loans made from funds held in trust or a similar capacity.

Section 427. Eligibility of student borrowers and terms of student loans

Subsection (a) of this section provides that loans are insurable only if they meet the following conditions: The borrower must be accepted for enrollment or in good standing at an eligible institution, must carry at least half of the normal full-time workload, and must provide the lender with the institution's statement of tuition, fees, and estimated room and board.

The loan must be evidenced by an unsecured note, which may be endorsed only if necessary to create a binding obligation. The note must provide for repayment within 15 years of its execution in installments during a period of 5 to 10 years beginning between 6 months and 1 year after the student ceases to carry half of the normal full-time workload at an eligible institution.

Interest on the loan cannot exceed the rate prescribed by the Commissioner for the geographic area, and is payable over the period of the loan unless the note provides for deferral of interest until the first payment of principal. The lender must agree not to try to collect from the borrower interest payable by the Commissioner under section 428. The note must permit the borrower to accelerate repayment.

Subsection (b) limits the interest rate on insured loans to 6 percent, except that under certain exceptional circumstances the rate may be as high as 7 percent.

Subsection (c) requires a minimum annual repayment by a borrower on all of his loans insured by the Commissioner under this part of \$360 or his outstanding balance, whichever is less.

Section 428. Federal payments to reduce student interest costs

This section directs the Commissioner to make payments to holders of insured student loans to reduce student interest costs. Each student whose adjusted family income is less than \$15,000, and who has received a loan insured under this part, or a loan (i) for study at an eligible institution, (ii) insured under a State or nonprofit private program covered by an agreement under subsection (b), and (iii) which was made within a specified period, will be entitled to have paid on his behalf to the holder of the loan, over the period of the loan, a portion of the interest on the loan. (Adjusted family income will be determined at the time of the execution of the note, under regulations of the Commissioner which will take into account appropriate factors such as family size.)

The payment a student is entitled to have made on his behalf under this section will, during the period which precedes the repayment period of the loan, be equal to the total amount of the interest which accrues prior to the beginning of the repayment period, and will, during the repayment period, be equal to 3 percent per annum of the unpaid principal amount of the loan. However, the payment may not exceed, for any period, the amount of the interest, which (but for such payment) would be actually payable by the student, taking into consideration interest payments on his behalf for that period under any State or private loan insurance program. The holder of an insured loan will have a contractual right, as against the United States, to be paid by the Commissioner the portion of interest which has been determined under this section, and the amount so determined will be final, so far as the obligation of the Commissioner to pay a portion of the interest on a loan is concerned, in the absence of fraud by the lender. The Commissioner will prescribe the manner of payment and the form of certain reports to be made by the holder of the loan.

Subsection (b) of this section sets forth the conditions under which students whose loans are insured under State or private programs will receive payments to reduce their interest costs under this section.

Any State or any nonprofit private institution or organization which has a student loan insurance program may enter into an agreement with the Commissioner to permit students who receive loans which are insured under its program to have made on their behalf payments under subsection (a), if the Commissioner determines that the insurance program—

(A) authorizes the insurance of between \$1,000 and \$1,500 in loans per student per academic year;

(B) authorizes the insurance of loans to any individual student for at least 6 academic years of study;

(C) provides that (i) the student borrower may accelerate without penalty the whole or any part of an insured loan, (ii) the period of any insured loan may not exceed 15 years from the date of execution of the note evidencing of the loan, and (iii) the note contain certain default provisions prescribed by the Commissioner's regulations;

(D) subject to the preceding subparagraph, provides that, if a student's insured loans held by any one person exceed \$2,000, then repayment of such loans will be in installments over a period of not less than 5 years nor more than 10 years beginning between 6 months and 1 year after the student ceases to pursue a full-time course of study at an eligible institution (except that if the program provides for the insurance of loans for part-time study at eligible institutions, the repayment period will begin between 6 months and 1 year after the student ceases to carry at least one-half the normal full-time academic workload);

(E) limits interest (exclusive of the insurance premium) to 6 percent per annum on the unpaid principal balance of the loan;

(F) insures at least 90 percent of the unpaid principal of loans insured under the program;

(G) provides for collection from the holder of the loan of a reasonable insurance premium;

(H) provides that the benefits of the loan insurance program will not be denied any student because of his family income or lack of need, if his adjusted family income is less than \$15,000; and

(I) provides that a student may obtain insurance under the program for a loan for any year of study at an eligible institution. Agreements under this subsection will require reports and have certain other provisions necessary to carry out this part.

Section 429. Certificates of insurance—effective date of insurance

This section details the method by which an eligible lender obtains insurance on a student loan. Subsection (a) provides that loans which meet the requirements of the act may be insured after they are made, on application by the lender, but that the Commissioner on application may make an advance commitment to insure a proposed loan or line of credit. Subsection (b) prescribes another alternative under which the Commissioner may issue to eligible lenders certificates of comprehensive insurance coverage which would insure all insurable loans made by a lender during a period and up to an amount specified in the certificate. The Commissioner will charge a yearly insurance premium of up to one-fourth of 1 percent of the unpaid balance of the principal of an insured loan.

Subsections (d) and (e) relate to assignment and consolidation of insured obligations.

Section 430. Procedure on default, death, or disability of student

This section sets out the procedure by which eligible lenders (and their assignees) collect any amounts for which the United States is liable by reason of the default, death, or disability of the borrower. The Commissioner may forebear his collection rights (under the subrogation provisions of the section) in the case of deceased or disabled borrowers.

Section 431. Insurance fund

This section establishes a student loan insurance fund into which will be deposited amounts appropriated under the authority of section 421(b)(1), insurance premiums, and amounts recovered by the Commissioner from defaulted borrowers. All payments in connection with the default of loans insured under the act will be paid from the fund, and in the event that the moneys in the fund are not sufficient to make such payments the Commissioner may obtain additional moneys by issuing to the Secretary of the Treasury notes or other obligations as a public debt transaction.

Section 432. Legal powers and responsibilities

This section authorizes the Commissioner, in carrying out the act, to make regulations, sue and be sued, prescribe and modify the terms of insurance contracts, permit the modification of student loan agreements, and to settle insurance claims. The Commissioner's financial operations are subject to the Government Corporation Control Act.

Section 433. Participation by Federal credit unions in Federal, State, and private student loan insurance programs

This section permits Federal credit unions to use up to 10 percent of their assets for making to their members student loans insured under this part or under certain State or private programs.

Section 434. Definitions

"Eligible institution" means an institution of higher education which awards a bachelor's degree or offers at least a 2-year program acceptable, on transfer, toward such a degree.

"Eligible lender" means an eligible institution, or a financial or credit institution subject to public examination and supervision.

A "line of credit" is an agreement to make a loan in several annual installments.

PART C—COLLEGE WORK-STUDY PROGRAM EXTENSION AND OTHER
AMENDMENTS

Section 441. Transfer of authority and other amendments

This section amends part C of title I of the Economic Opportunity Act of 1964. The first paragraph transfers the administration of the college work-study program from the Director of the Office of Economic Opportunity to the Commissioner of Education. The second and third paragraphs provide that the work-study program, which is presently restricted to students from low-income families will, instead, merely give preference to these students.

The fourth paragraph delays for one year, until June 30, 1967, the date on which the Federal matching share for the program drops from 90 to 75 percent.

In the fifth paragraph, the definition of "institution of higher education" for purposes of the work-study program is broadened by substituting the definition from NDEA (as amended by section 407 of the bill) for the definition contained in the Higher Education Facilities Act of 1963. The chief difference between the definitions is, with respect to schools which do not award a bachelor's degree or offer a 2-year program acceptable for such a degree, that the new NDEA definition applies to a broad category of occupational schools offering 1-year programs rather than being limited to scientific and technical institutions offering 2-year programs.

Section 442. Appropriations authorized

This section authorizes for carrying out the work-study program an appropriation of \$129 million for the fiscal year ending in 1966 and such sums as may be necessary in the 4 succeeding years. Unexpended appropriations for the work-study program for the fiscal year ending in 1965 will be available to the Commissioner to carry out the program.

Section 443. Conforming amendment

This section amends section 131 of the Economic Opportunity Act of 1964 to provide that the Director of the Office of Economic Opportunity will carry out the work-study program only until June 30, 1965, the date on which the Commissioner begins administering the program.

TITLE V—AMENDMENTS TO THE HIGHER EDUCATION FACILITIES ACT OF 1963

Section 501. Authorization for construction of undergraduate facilities

This section amends section 101(b) of the Higher Education Facilities Act of 1963 to double, to \$460 million, the authorization under title I of that act for grants for the construction of undergraduate academic facilities for the fiscal year ending in 1966.

Section 502. Public junior colleges and technical institutes

This section makes a number of technical amendments to the matching requirements for construction of facilities at public junior colleges and technical institutes under the Higher Education Facilities Act of 1963. That act presently provides that the Federal share of the development cost of public junior colleges and technical institutes shall equal 40 percent on all projects, and accordingly does not require the State plan or the Commissioner's regulations to prescribe the manner of computing the Federal share for each project. The amendment provides that the Federal share shall not exceed 40 percent of development costs, thereby permitting a variable Federal share, and requires that the State plan and the Commissioner's regulations prescribe the manner of computing the Federal share for each project where there is a variable Federal share.

Section 503. Authorization for construction of graduate facilities

This section amends section 201 of the Higher Education Facilities Act of 1963 to double, to \$120 million, the authorization under title II of that act for grants for the construction of graduate academic facilities for the fiscal year ending in 1966.

TITLE VI—ADVISORY COUNCIL TO HOUSE COMMITTEE ON EDUCATION
AND LABOR

Section 601. Advisory Council

This section authorizes the chairman of the Committee on Education and Labor of the House of Representatives to establish, during each Congress, an Advisory Council to make studies and recommendations with respect to programs established by this bill, or affected by the amendments made in this bill, for the purpose of assisting the committee and its subcommittees having jurisdiction over such programs. The members of such Council will be appointed by the chairman of the committee and will be persons who are specially qualified to make such studies and recommendations.

TITLE VII—GENERAL PROVISIONS

Section 701. Definitions

This section contains definitions of terms used in the bill.

The term "institution of higher education" means an educational institution in any State which (1) admits only secondary school graduates, (2) is legally authorized within such State to provide a program of postsecondary education, (3) either awards a bachelor's degree or provides at least a 2-year program acceptable for full credit toward such a degree, or is a business or technical school, (4) is a public or other nonprofit institution, and (5) is accredited or, if not accredited, has its credits accepted on transfer by at least three institutions which are accredited.

The term "State" includes Puerto Rico, the District of Columbia, Guam, American Samoa, and the Virgin Islands.

The term "Secretary" means the Secretary of Health, Education, and Welfare, and the term "Commissioner" means Commissioner of Education.

The terms "nonprofit" and "secondary school" are also defined in this section.

Section 702. Method of payment

This section provides that payments under the bill may be made in installments, in advance or by way of reimbursement, and (in the case of grants or loans) with necessary adjustments on account of overpayments or underpayments.

Section 703. Federal administration

This section permits the Commissioner to delegate certain of his functions under this act and, by agreement, to utilize the services and facilities of public or nonprofit agencies or institutions.

Section 704. Federal control of education prohibited

This section prohibits Federal direction, supervision, or control over the curriculum or administration of any educational institution.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in *italic*, existing law in which no change is proposed is shown in roman):

NATIONAL DEFENSE EDUCATION ACT OF 1958, AS AMENDED

(Public Law 85-864)

* * * * *

TITLE I—GENERAL PROVISIONS

FINDINGS AND DECLARATION OF POLICY

SEC. 101. The Congress hereby finds and declares that the security of the Nation requires the fullest development of the mental resources and technical skills of its young men and women. The present emergency demands that additional and more adequate educational opportunities be made available. The defense of this Nation depends upon the mastery of modern techniques developed from complex scientific principles. It depends as well upon the discovery and development of new principles, new techniques, and new knowledge.

We must increase our efforts to identify and educate more of the talent of our Nation. This requires programs that will give assurance that no student of ability will be denied an opportunity for higher education because of financial need; will correct as rapidly as possible the existing imbalances in our educational programs.

The Congress reaffirms the principle and declares that the States and local communities have and must retain control over and primary responsibility for public education. The national interest requires, however, that the Federal Government give assistance to education for programs which are important to our defense.

To meet the present educational emergency requires additional effort at all levels of government. It is therefore the purpose of this Act to provide substantial assistance in various forms to individuals, and to States and their subdivisions, in order to insure trained manpower of sufficient quality and quantity to meet the national defense needs of the United States.

FEDERAL CONTROL OF EDUCATION PROHIBITED

SEC. 102. Nothing contained in this Act shall be construed to authorize any department, agency, officer, or employee of the United

States to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution or school system.

DEFINITIONS

SEC. 103. As used in this Act—

(a) The term "State" means a State, Puerto Rico, the District of Columbia, the Canal Zone, Guam, American Samoa, or the Virgin Islands, except that as used in sections 302 and 502, such term does not include Puerto Rico, the Canal Zone, Guam, American Samoa, or the Virgin Islands.

(b) The term "institution of higher education" means an educational institution in any State which (1) admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such certificate, (2) is legally authorized within such State to provide a program of education beyond secondary education, (3) provides an educational program for which it awards a bachelor's degree or provides not less than a two-year program which is acceptable for full credit toward such a degree, (4) is a public or other nonprofit institution, and (5) is accredited by a nationally recognized accrediting agency or association or, if not so accredited, is an institution whose credits are accepted, on transfer, by not less than three institutions which are so accredited, for credit on the same basis as if transferred from an institution so accredited. For purposes of title II, such term includes any business school or technical institution which meets the provisions of clauses (1), (2), (4), and (5), and includes any school of nursing as defined in subsection (1) of this section. (5) is accredited by a nationally recognized accrediting agency or association approved by the Commissioner for this purpose or, if not so accredited, (A) is an institution with respect to which the Commissioner has determined that there is satisfactory assurance, considering the resources available to the institution, the period of time, if any, during which it has operated, the effort it is making to meet accreditation standards, and the purpose for which this determination is being made, that the institution will meet the accreditation standards of such an agency or association within a reasonable time, or (B) is an institution whose credits are accepted on transfer by not less than three institutions which are so accredited, for credit on the same basis as if transferred from an institution so accredited. For purposes of title II, such term includes any school of nursing as defined in subsection (1) of this section, and also includes any school which provides not less than a one-year program of training to prepare students for gainful employment in a recognized occupation and which meets the provisions of clauses (1), (2), (4), and (5). If the Commissioner determines that a particular category of such schools does not meet the requirements of clause (5) because there is no nationally recognized accrediting agency or association qualified to accredit schools in such category, he shall, pending the establishment of such an accrediting agency or association, appoint an advisory committee, composed of persons specially qualified to evaluate training provided by schools in such category, which shall (i) prescribe the standards of content, scope, and quality which must be met in order to qualify schools in such category to participate in the student loan program under title II, and (ii) determine whether particular schools not meeting the requirements of clause (5) meet those standards. For purposes of this sub-

section, the Commissioner shall publish a list of nationally recognized accrediting agencies [or associations] which he determines to be reliable authority as to the quality of training offered.

(c) The term "Commissioner" means the Commissioner of Education.

(d) The term "Secretary" means the Secretary of Health, Education, and Welfare.

(e) The term "State educational agency" means the State board of education or other agency or officer primarily responsible for the State supervision of public elementary and secondary schools, or, if there is no such officer or agency, an officer or agency designated by the governor or by State law.

(f) The term "school-age population" means that part of the population which is between the ages of five and seventeen, both inclusive, and such school-age population for the several States shall be determined by the Commissioner on the basis of the population between such ages for the most recent year for which satisfactory data are available from the Department of Commerce.

(g) The term "elementary school" means a school which provides elementary education, as determined under State law or, if such school is not in any State, as determined by the Commissioner.

(h) The term "secondary school" means a school which provides secondary education, as determined under State law or, if such school is not in any State, as determined by the Commissioner, except that it does not include any education provided beyond grade 12. For the purposes of sections 301 through 304, the term "secondary school" may include a public junior college, as determined under State law or, if such school is not in any State, as determined by the Commissioner.

(i) The term "public" as applied to any school or institution includes a school or institution of any agency of the United States, except that no such school or institution shall be eligible to receive any grant, loan, or other payment under this Act.

(j) The term "nonprofit", as applied to a school or institution, means a school or institution owned and operated by one or more nonprofit corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual, and, for purposes of part A of title V, includes a school of any agency of the United States.

(k) The term "local educational agency" means a board of education or other legally constituted local school authority having administrative control and direction of public elementary or secondary schools in a city, county, township, school district, or political subdivision in a State, or any other public institution or agency having administrative control and direction of a public elementary or secondary school.

(l) The term "school of nursing" means a public or other nonprofit collegiate or associate degree school of nursing.

(m) The term "collegiate school of nursing" means a department, division, or other administrative unit in a college or university which provides primarily or exclusively an accredited program of education in professional nursing and allied subjects leading to the degree of bachelor of arts, bachelor of science, bachelor of nursing, or to an equivalent degree, or to a graduate degree in nursing.

(n) The term "associate degree school of nursing" means a department, division, or other administrative unit in a junior college, community college, college, or university which provides primarily or exclusively an accredited two-year program of education in professional nursing and allied subjects leading to an associate degree in nursing or to an equivalent degree.

(o) The term "accredited" when applied to any program of nurse education means a program accredited by a recognized body or bodies approved for such purpose by the Commissioner of Education.

TITLE II—LOANS TO STUDENTS IN INSTITUTIONS OF HIGHER EDUCATION

APPROPRIATIONS AUTHORIZED

SEC. 201. For the purpose of enabling the Commissioner to stimulate and assist in the establishment at institutions of higher education of funds for the making of low-interest loans and *(except in the case of a school which does not meet the requirements of section 103(b)(5)) initial year awards of educational opportunity grants* to students in need thereof to pursue their courses of study in such institutions, there are hereby authorized to be appropriated \$47,500,000 for the fiscal year ending June 30, 1959, \$75,000,000 for the fiscal year ending June 30, 1960, \$82,500,000 for the fiscal year ending June 30, 1961, \$90,000,000 each for the fiscal year ending June 30, 1962, and the next fiscal year, \$125,000,000 for the fiscal year ending June 30, 1964, \$163,300,000 for the fiscal year ending June 30, 1965, ~~[\$179,300,000]~~ *\$253,300,000* for the fiscal year ending June 30, 1966, ~~[\$190,000,000]~~ *\$266,600,000* for the fiscal year ending June 30, 1967, and ~~[\$195,000,000]~~ *\$280,000,000* for the fiscal year ending June 30, 1968, and such sums for the fiscal year ending June 30, 1969, and each of the next three fiscal years as may be necessary to enable students who have received loans for school years ending prior to July 1, 1968, to continue or complete their education. *There are further authorized to be appropriated for the fiscal year ending June 30, 1967, and each of the six succeeding fiscal years, such sums as may be necessary to make contributions to student loan funds equal to the amount necessary to enable institutions of higher education to make educational opportunity grants provided for under section 206 to students for academic years other than the initial year for which they are awarded the grant.* Sums appropriated under this section for any fiscal year shall be available, in accordance with agreements between the Commissioner and institutions of higher education, for payment of Federal capital contributions which, together with contributions from the institutions, shall be used for establishment and maintenance of student loan funds.

ALLOTMENTS TO STATES

SEC. 202. (a) From the sums appropriated pursuant to the *first sentence of section 201* for any fiscal year ending prior to July 1, 1968, the Commissioner shall allot to each State an amount which bears the same ratio to the amount so appropriated as the number of persons enrolled on a full-time basis in institutions of higher education in such State bears to the total number of persons enrolled on a full-time basis

in institutions of higher education in all of the States. The number of persons enrolled on a full-time basis in institutions of higher education for purposes of this section shall be determined by the Commissioner for the most recent year for which satisfactory data are available to him.

(b) Sums appropriated pursuant to *the first sentence of section 201* for any fiscal year ending after June 30, 1968, shall be allotted among the States in such manner as the Commissioner determines to be necessary to carry out the purpose for which such amounts are appropriated.

PAYMENT OF FEDERAL CAPITAL CONTRIBUTIONS

SEC 203. (a) The Commissioner shall from time to time set dates by which institutions of higher education in a State must file applications for Federal capital contributions from the allotment of such State *under section 202*. In the event the total requested in such applications, which are made by institutions with which he has agreements under this title and which meet the requirements established in regulations of the Commissioner, exceeds the amount of the allotment of such State *under section 202* available for such purpose, the Federal capital contribution from such allotment to each such institution shall bear the same ratio to the amount requested in its application as the amount of such allotment available for such purpose bears to the total requested in all such applications. In the event the total requested in such applications which are made by institutions in a State is less than the amount of the allotment of such State available for such purposes, the Commissioner may reallocate the remaining amount from time to time, on such date or dates as the Commissioner may fix, to other States in proportion to the original allotments to such States under section 202 for such year.

(b) *From the sums appropriated pursuant to the authorization contained in the second sentence of section 201 for a fiscal year, the Commissioner shall make a capital contribution to each institution with which he has an agreement under this title equal to the amount such institution determines that it needs in order to make educational opportunity grants, as provided in this title, to students who have received such a grant for one or more preceding academic years, except that, if the sums so appropriated are less than the amount necessary to enable all such institutions to receive the amount they determine they need for such grants, the Commissioner shall reduce the amount of each institution's capital contribution under this subsection pro rata.*

(c) The Federal capital contribution to an institution shall be paid to it from time to time in such installments as the Commissioner determines will not result in unnecessary accumulations in the student loan fund established under its agreement under this title.

CONDITIONS OF AGREEMENTS

SEC. 204. (a) An agreement with any institution of higher education for Federal capital contributions by the Commissioner under this title shall—

(1) provide for establishment of a student loan fund by such institution;

(2) provide for deposit in such fund of (A) the Federal capital contributions, [(B) an amount, equal to not less than one-ninth of such Federal contributions, contributed by such institution,] *(B) an amount, contributed by such institution, equal to not less than one-ninth of 75 per centum of the Federal capital contributions made under section 203(a),* (C) collections of principal and interest on student loans made from such fund, and (D) any other earnings of the fund;

(3) provide that such student loan fund shall be used only for loans and *(except in the case of a school which does not meet the requirements of section 103(b)(5)) educational opportunity grants* to students in accordance with such agreement, for capital distributions as provided in this title, and for costs of litigation arising in connection with the collection of any loan from the fund or interest on such loan;

(4) provide that in the selection of students to receive loans from such student loan fund special consideration shall be given to students with a superior academic background; and

(5) include such other provisions as may be necessary to protect the financial interest of the United States and promote the purposes of this title and as are agreed to by the Commissioner and the institution.

(b) Where an institution uses funds under this title for the awarding of educational opportunity grants such agreement shall—

(1) provide that educational opportunity grants will be made only in accordance with section 206 to students who are or will be pursuing their course of study on a full-time basis,

(2) provide that the institution, in cooperation with other institutions of higher education where appropriate, will make vigorous efforts to identify qualified youths of exceptional financial need and to encourage them to continue their education beyond secondary school through programs and activities such as—

(A) establishing or strengthening close working relationships with secondary school principals and guidance and counseling personnel with a view toward motivating students to complete secondary school and pursue post-secondary-school educational opportunities, and

(B) making, to the extent feasible, conditional commitments for educational opportunity grants to qualified secondary school students with special emphasis on students enrolled in grade 11 or lower grades who show evidences of academic or creative promise;

(3) provide assurance that the institution will continue to spend in its own scholarship and student aid program, from sources other than funds received under this title, not less than the average expenditure per year made for that purpose during the most recent period of three fiscal years preceding the first fiscal year during which grants are to be made under the agreement.

TERMS OF LOANS

SEC. 205. (a) The total of the loans for any academic year or its equivalent, as determined under regulations of the Commissioner, made by institutions of higher education from loan funds established pursuant to agreements under this title may not exceed \$2,500 in the

case of any graduate or professional student (as defined in regulations of the Commissioner), and may not exceed \$1,000 in the case of any other student. The aggregate of the loans for all years from such funds may not exceed \$10,000 in the case of any graduate or professional student (as so defined, and including any loans from such funds made to such person before he became a graduate or professional student), or \$5,000 in the case of any other student.

(b) Loans from any such loan fund to any student by any institution of higher education shall be made on such terms and conditions as the institution may determine; subject, however, to such conditions, limitations, and requirements as the Commissioner may prescribe (by regulation or in the agreement with the institution) with a view to preventing impairment of the capital of the student loan fund to the maximum extent practicable in the light of the objective of enabling the student to complete his course of study; and except that—

(1) such a loan shall be made only to a student who (A) is in need of the amount of the loan to pursue a course of study at such institution, and (B) is capable, in the opinion of the institution, of maintaining good standing in such course of study, and (C) has been accepted for enrollment as a student in such institution or, in the case of a student already attending such institution, is in good standing there either as an undergraduate, graduate, or professional student, and (D) is carrying at least one-half of the normal full-time academic workload as determined by the institution;

(2) such a loan shall be evidenced by a note or other written agreement which provides for repayment of the principal amount, together with interest thereon, in equal annual installments, or, if the borrower so requests, in graduated periodic installments (determined in accordance with such schedules as may be approved by the Commissioner), over a period beginning one year after the date on which the borrower ceases to pursue a full-time course of study at an institution of higher education and ending eleven years after such date, except that (A) interest shall not accrue on any such loan, and periodic installments need not be paid, during any period (i) during which the borrower is pursuing a full-time course of study at an institution of higher education or at a comparable institution outside the States approved for this purpose by the Commissioner, (ii) not in excess of three years, during which the borrower is a member of the Armed Forces of the United States, or (iii) not in excess of three years during which the borrower is in service as a volunteer under the Peace Corps Act: *Provided:* That this clause shall apply to any loan outstanding on the effective date of the Peace Corps Act only with the consent of the then obligee institution, (B) any such period shall not be included in determining the ten-year period during which the repayment must be completed, (C) such ten-year period may also be extended for good cause determined in accordance with regulations of the Commissioner, (D) the institution may provide that periodic installments need not be paid during any period or periods, aggregating not in excess of three years, during which the borrower is in part-time attendance at an institution of higher education taking courses which are creditable toward a degree, and may also provide that any such period shall not be included in determining the ten-year period during which

the repayment must be completed, but interest shall continue to accrue during any such period, and (E) the borrower may at his option accelerate repayment of the whole or any part of such loan;

(3) not to exceed 50 per centum of any such loan (plus interest) shall be canceled for service as a full-time teacher in a public or other nonprofit elementary or secondary school in a State, in an institution of higher education, or in an elementary or secondary school overseas of the Armed Forces of the United States, at the rate of 10 per centum of the amount of such loan plus interest thereon, which was unpaid on the first day of such service for each complete academic year of such service;

(4) such a loan shall bear interest, on the unpaid balance of the loan, at the rate of 3 per centum per annum except that no interest shall accrue before the date on which repayment of the loan is to begin in all cases except where the date on which repayment is to begin is suspended by reason of clause (D) of paragraph (2);

(5) such a loan shall be made without security and without endorsement, except that, if the borrower is a minor and the note or other evidence of obligation executed by him would not, under the applicable law, create a binding obligation, either security or endorsement may be required;

(6) the liability to repay any such loan shall be canceled upon the death of the borrower, or if he becomes permanently and totally disabled as determined in accordance with regulations of the Commissioner;

(7) such a loan by an institution for any year shall be made in such installments as may be provided in regulations of the Commissioner or the agreement with the institution under this title and, upon notice to the Commissioner by the institution that any recipient of a loan is failing to maintain satisfactory standing, any or all further installments of his loan shall be withheld, as may be appropriate; and

(8) no note or other evidence of such a loan may be transferred or assigned by the institution of higher education making the loan except, upon the transfer of the borrower to another institution of higher education participating in the program under this title (or, if not participating, is eligible to do so and is approved by the Commissioner for such purpose), to such institution.

(c) An agreement under this title for payment of Federal capital contributions shall include provisions designed to make loans from the student loan fund established pursuant to such agreement reasonably available (to the extent of the available funds in such fund) to all eligible students in such institution in need thereof.

EDUCATIONAL OPPORTUNITY GRANTS

SEC. 206. (a) Educational opportunity grants made by institutions of higher education from student loan funds established pursuant to an agreement under this title shall be made only to students who the institution of higher education determines (1) show evidence of academic or creative promise and capability of maintaining good standing in their course of study, (2) are of exceptional financial need, (3) are eligible for a loan

from such fund, and (4) would not, but for an educational opportunity grant, be financially able to pursue a course of study at such institution of higher education.

(b) The duration of an educational opportunity grant awarded under this title shall be the period required for completion by the recipient of his undergraduate course of study at the institution of higher education from which he received the grant award, except that such period shall not exceed four academic years, less any such period with respect to which the recipient has previously received payments under this title pursuant to a prior educational opportunity grant (whether made by the same or another institution).

(c) An institution of higher education which awards an educational opportunity grant to a student under this title shall, for the duration of the educational opportunity grant, pay to that student for each academic year during which he is in need of grant assistance to pursue a course of study at the institution, an amount determined by the institution for such student with respect to that year, which amount shall not exceed the lesser of \$800 or one-half of the amount of student financial aid (including assistance under this title, but excluding assistance from work-study programs) provided such student by such institution as determined in accordance with regulation of the Commissioner. If the amount of the payment determined under the preceding sentence for an academic year is less than \$200 for a student, no payment shall be made under this title to that student for that year. The Commissioner shall, subject to the foregoing limitations, prescribe for the guidance of participating institutions basic criteria or schedules (or both) for the determination of the amount of any such educational opportunity grant, taking into account the objective of limiting grant aid under this title to students of exceptional financial need and such other factors, including the number of dependents in the family, as the Commissioner may deem relevant.

LIMITATIONS ON GRANTS

SEC. 207. The aggregate amount of educational opportunity grants made by an institution of higher education in a fiscal year to undergraduate students who have not received such a grant for any preceding fiscal year may not exceed 25 per centum of the Federal capital contribution made to the student loan fund for that fiscal year from funds allotted to such State under the first sentence of section 202(a) or reallocated to such State under the third sentence of section 203(a).

CONTRACTS TO ENCOURAGE FULL UTILIZATION OF EDUCATIONAL TALENT

SEC. 208. (a) To assist in achieving the purposes of this title the Commissioner is authorized (without regard to section §709 of the Revised Statutes (41 U.S.C. 5)), to enter into contracts, not to exceed \$100,000 per contract per year, with State and local educational agencies and other public or nonprofit organizations and institutions for the purpose of—

(1) identifying qualified youths of exceptional financial need and encouraging them to complete secondary school and undertake postsecondary educational training,

(2) publicizing existing forms of student financial aid, including aid furnished under this title, or

(3) *encouraging secondary school or college dropouts of demonstrated aptitude to reenter educational programs, including post-secondary school programs.*

(b) *There are hereby authorized to be appropriated such sums as may be necessary to carry out this section.*

DISTRIBUTION OF ASSETS FROM STUDENT LOAN FUNDS

SEC. [206.] 209. (a) After June 30, 1972, and not later than September 30, 1972, there shall be a capital distribution of the balance of the student loan fund established under this title by each institution of higher education as follows:

(1) The Commissioner shall first be paid an amount which bears the same ratio to the balance in such fund at the close of June 30, 1972, as the total amount of the Federal capital contributions to such fund by the Commissioner under this title bears to the sum of such Federal capital contributions and the institution's capital contributions to such fund.

(2) The remainder of such balance shall be paid to the institution.

(b) After September 30, 1972, each institution with which the Commissioner has made an agreement under this title shall pay to the Commissioner, not less often than quarterly, the same proportionate share of amounts received by the institution after June 30, 1972, in payment of principal or interest on student loans made from the student loan fund established pursuant to such agreement (which amount shall be determined after deduction of any costs of litigation incurred in collection of the principal or interest on loans from the fund and not already reimbursed from the student loan fund or such payments of principal or interests) as was determined for the Commissioner under subsection (a).

(c) Upon a finding by the institution or the Commissioner prior to July 1, 1972, that the liquid assets of a student loan fund established pursuant to an agreement under this title exceed the amount required for loans or otherwise in the foreseeable future, and upon notice to such institution or to the Commissioner, as the case may be, there shall be, subject to such limitations as may be included in regulations of the Commissioner or in such agreement, a capital distribution from such fund. Such capital distribution shall be made as follows:

(1) The Commissioner shall first be paid an amount which bears the same ratio to the total to be distributed as the Federal capital contributions by the Commissioner to the student loan fund prior to such distribution bear to the sum of such Federal capital contributions and the capital contributions to the fund made by the institution.

(2) The remainder of the capital distribution shall be paid to the institution.

(d) *In computing the amount of the Federal capital contribution to a student loan fund for the purposes of this section there shall be deducted from the Federal capital contributions made to such fund under section 203 an amount equal to the total of educational opportunity grants made from such fund.*

LOANS TO INSTITUTIONS

SEC. [207] 210. (a) Upon application by any institution of higher education with which he has made an agreement under this title, the Commissioner may make a loan to such institution for the purpose of helping to finance the institution's capital contributions to a student loan fund established pursuant to such agreement. Any such loan may be made only if such institution shows it is unable to secure such funds from non-Federal sources upon terms and conditions which the Commissioner determines to be reasonable and consistent with the purposes of this title. Loans made to institutions under this section shall bear interest at a rate which the Commissioner determines to be adequate to cover (1) the cost of the funds to the Treasury as determined by the Secretary of the Treasury, taking into consideration the current average yields of outstanding marketable obligations of the United States having maturities comparable to the maturities of loans made by the Commissioner under this section, (2) the cost of administering this section, and (3) probable losses.

(b) There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this section, but not to exceed a total of \$25,000,000.

(c) Loans made by the Commissioner under this section shall mature within such period as may be determined by the Commissioner to be appropriate in each case, but not exceeding fifteen years.

PAYMENTS TO COVER REDUCTIONS IN AMOUNTS OF LOANS

SEC. [208] 211. In addition to the payments otherwise authorized to be made pursuant to this title, the Commissioner shall pay to the appropriate institution, at such time or times as he determines, an amount which bears the same ratio to the interest which has been prevented from accruing and the portion of the principal which has been canceled on student loans pursuant to paragraph (3) of section 205(b) (and not previously paid pursuant to this subsection) as the total amount of the institution's capital contributions to such fund under this title bears to the sum of such institution's capital contributions and the Federal capital contributions to such fund.

ADMINISTRATIVE PROVISIONS

SEC. [209] 212. (a) The Commissioner, in addition to the other powers conferred upon him by this title, shall have power to agree to modifications of agreements or loans made under this title and to compromise, waive, or release any right, title, claim, or demand, however arising or acquired under this title.

(b) Financial transactions of the Commissioner pursuant to this title, and vouchers approved by him in connection with such financial transactions, shall be final and conclusive upon all officers of the Government; except that all such transactions shall be subject to audit by the General Accounting Office at such times and in such manner as the Comptroller General may by regulation prescribe.

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TITLE XI—INSTITUTES

AUTHORIZATION OF INSTITUTES

SEC. 1101. There are authorized to be appropriated \$32,750,000 for the fiscal year ending June 30, 1965, and each of the three succeeding fiscal years, to enable the Commissioner to arrange, through grants or contracts, with institutions of higher education for the operation by them of short-term or regular session institutes for advanced study, including study in the use of new materials, to improve the qualification of individuals—

(1) who are engaged in or preparing to engage in the teaching, or supervising or training of teachers, of history, geography, modern foreign languages, reading, or English in elementary or secondary schools,

(2) who are engaged in or preparing to engage in the teaching of disadvantaged youth and are, by virtue of their service or future service in elementary or secondary schools enrolling substantial numbers of culturally, economically, socially, and educationally handicapped youth, in need of specialized training; except that no institute may be established under this title for teachers of disadvantaged youth unless such institute will offer a spacialized program of instruction designed to assist such teachers in coping with the unique and peculiar problems involved in the teaching of such youth, or

[(3) who are engaged as, or preparing to engage as, library personnel in the elementary or secondary schools, or as supervisors of such personnel, or]

[(4)] (3) who are engaged as, or are preparing to engage as, educational media specialists.

ECONOMIC OPPORTUNITY ACT OF 1964

(Public Law 88-452)

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TITLE I—YOUTH PROGRAMS

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PART C—WORK-STUDY PROGRAMS

STATEMENT OF PURPOSE

SEC. 121. The purpose of this part is to stimulate and promote the part-time employment of [students in institutions of higher education who are from low-income families and] *students, particularly students from low-income families, in institutions of higher education who are in need of the earnings from such employment to pursue courses of study at such institutions.*

ALLOTMENTS TO STATES

SEC. 122. (a) From the sums appropriated to carry out this title for a fiscal year, the [Director] *Commissioner of Education (hereinafter in this part referred to as the "Commissioner")* shall reserve the amount needed for making grants under section 123. Not to exceed 2 per

centum of the amount so reserved shall be allotted by the **[Director]** *Commissioner* among Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Virgin Islands according to their respective needs for assistance under this part. The remainder of the sums so reserved shall be allotted among the States as provided in subsection (b).

(b) Of the sums being allotted under this subsection—

(1) one-third shall be allotted by the **[Director]** *Commissioner* among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of persons enrolled on a full-time basis in institutions of higher education in such State bears to the total number of persons enrolled on a full-time basis in institutions of higher education in all the States,

(2) one-third shall be allotted by the **[Director]** *Commissioner* among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of high school graduates (as defined in section 103(d)(3) of the Higher Education Facilities Act of 1963) of such State bears to the total number of such high school graduates of all the States, and

(3) one-third shall be allotted by him among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of related children under eighteen years of age living in families with annual incomes of less than \$3,000 in such State bears to the number of related children under eighteen years of age living in families with annual incomes of less than \$3,000 in all the States.

(c) The amount of any State's allotment which has not been granted to an institution of higher education under section 123 at the end of the fiscal year for which appropriated shall be reallotted by the **[Director]** *Commissioner*, in such manner as he determines will best assist in achieving the purposes of this Act. Amounts reallotted under this subsection shall be available for making grants under section 123 until the close of the fiscal year next succeeding the fiscal year for which appropriated.

(d) For purposes of this section, the term "State" does not include Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Virgin Islands.

GRANTS FOR WORK-STUDY PROGRAMS

SEC. 123. The **[Director]** *Commissioner* is authorized to enter into agreements with institutions of higher education **[as defined by section 401(f) of the Higher Education Facilities Act of 1963 (P.L. 88-204)]** *(as defined by section 103(b) of the National Defense Education Act of 1958 for purposes of title II of that Act)* under which the **[Director]** *Commissioner* will make grants to such institutions to assist in the operation of work-study programs as hereinafter provided.

CONDITIONS OF AGREEMENTS

SEC. 124. An agreement entered into pursuant to section 123 shall—

(a) provide for the operation by the institution of a program for the part-time employment of its students in work—

(1) for the institution itself, or

(2) for a public or private nonprofit organization when the position is obtained through an arrangement between the institution and such an organization and—

(A) the work is related to the student's educational objective, or

(B) such work (i) will be in the public interest and is work which would not otherwise be provided, (ii) will not result in the displacement of employed workers or impair existing contracts for services, and (iii) will be governed by such conditions of employment as will be appropriate and reasonable in light of such factors as the type of work performed, geographical region, and proficiency of the employee:

Provided, however, That no such work shall involve the construction, operation, or maintenance of so much of any facility used or to be used for sectarian instruction or as a place for religious worship;

(b) provide that funds granted an institution of higher education, pursuant to section 123 may be used only to make payments to students participating in work-study programs, except that an institution may use a portion of the sums granted to it to meet administrative expenses, but the amount so used may not exceed 5 per centum of the payments made by the **[Director]** *Commissioner* to such institution for that part of the work-study program in which students are working for public or nonprofit organizations other than the institution itself;

(c) **[provide that employment under such work-study program shall be furnished only to a student who (1) is from a low-income family, (2)]** *provide that in the selection of students for employment under such work-study program preference shall be given to students from low-income families and that employment under such work-study program shall be furnished only to a student who (1) is in need of the earnings from such employment in order to pursue a course of study at such institution, [(3)] (2) is capable, in the opinion of the institution, of maintaining good standing in such course of study while employed under the program covered by the agreement, and [(4)] (3) has been accepted for enrollment as a full-time student at the institution or, in the case of a student already enrolled in and attending the institution, is in good standing and in full-time attendance there either as an undergraduate, graduate, or professional student;*

(d) provide that no student shall be employed under such work-study program for more than fifteen hours in any week in which classes in which he is enrolled are in session;

(e) provide that in each fiscal year during which the agreement remains in effect, the institution shall expend (from sources other than payments under this part) for the employment of its students (whether or not in employment eligible for assistance under

this part) an amount that is not less than its average annual expenditure for such employment during the three fiscal years preceding the fiscal year in which the agreement is entered into;

(f) provide that the Federal share of the compensation of students employed in the work-study program in accordance with the agreement will not exceed 90 per centum of such compensation for work performed during the period ending two years after the date of enactment of this Act, or **[June 30, 1966,]** *June 30, 1967*, whichever is later, and 75 per centum thereafter;

(g) include provisions designed to make employment under such work-study program, or equivalent employment offered or arranged for by the institution, reasonably available (to the extent of available funds) to all eligible students in the institution in need thereof; and

(h) include such other provisions as the **[Director]** *Commissioner* shall deem necessary or appropriate to carry out the purposes of this part.

SOURCES OF MATCHING FUNDS

SEC. 125. Nothing in this part shall be construed as restricting the source (other than this part) from which the institution may pay its share of the compensation of a student employed under a work-study program covered by an agreement under this part.

EQUITABLE DISTRIBUTION OF ASSISTANCE

SEC. 126. The **[Director]** *Commissioner* shall establish criteria designed to achieve such distribution of assistance under this part among institutions of higher education within a State as will most effectively carry out the purposes of this Act.

PART D—AUTHORIZATION OF APPROPRIATIONS

SEC. 131. The Director shall carry out the programs provided for **[in this title during the fiscal year ending June 30, 1965, and the two succeeding fiscal years. For the purpose of carrying out this title,]** *in parts A and B of this title during the fiscal year ending June 30, 1965, and each of the two succeeding fiscal years, and he shall carry out the program provided for in part C of this title during the fiscal year ending June 30, 1965. For this purpose* there is hereby authorized to be appropriated the sum of \$412,500,000 for the fiscal year ending June 30, 1965; and for the fiscal year ending June 30, 1966, and the fiscal year ending June 30, 1967, such sums may be appropriated as the Congress may hereafter authorize by law.

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HIGHER EDUCATION FACILITIES ACT OF 1963 (Public Law 88-204)

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TITLE I—GRANTS FOR CONSTRUCTION OF UNDER-GRADUATE ACADEMIC FACILITIES

APPROPRIATIONS AUTHORIZED

SEC. 101. (a) The Commissioner of Education (hereinafter in this Act referred to as the "Commissioner") shall carry out during the fiscal year ending June 30, 1964, and each of the four succeeding fiscal years, a program of grants to institutions of higher education for the construction of academic facilities in accordance with this title.

(b) For the purpose of making grants under this title, there is hereby authorized to be appropriated the sum of \$230,000,000 for the fiscal year ending June 30, 1964, [and each of the two succeeding fiscal years] *and for the succeeding fiscal year; and the sum of \$460,000,000 for the fiscal year ending June 30, 1966;* but for the fiscal year ending June 30, 1967, and the succeeding fiscal year, only such sums may be appropriated as the Congress may hereafter authorize by law. In addition to the sums authorized to be appropriated under the preceding sentence, there is hereby authorized to be appropriated for the fiscal year ending June 30, 1965, and the succeeding fiscal year, for making such grants the difference (if any) between the sums authorized to be appropriated under the preceding sentence for preceding fiscal years and the aggregate of the sums which were appropriated for such preceding years under such sentence.

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STATE COMMISSIONS AND PLANS

SEC. 105. (a) Any State desiring to participate in the grant program under this title shall designate for that purpose an existing State agency which is broadly representative of the public and of institutions of higher education (including junior colleges and technical institutes) in the State, or, if no such State agency exists, shall establish such a State agency, and submit to the Commissioner through the agency so designated or established (hereinafter in this title referred to as the "State commission"), a State plan for such participation. The Commissioner shall approve any such plan which—

(1) provides that it shall be administered by the State commission;

(2) sets forth, consistently with basic criteria prescribed by regulation pursuant to section 107, objective standards and methods (A) for determining the relative priorities of eligible projects for the construction of academic facilities submitted by institutions of higher education within the State, and (B) for determining the Federal share of the development cost of each such project [other than a project for a public community college or public technical institute] (unless such plan provides for a uniform Federal share for all such projects);

(3) provides that the funds allotted (or reallocated) for any year under section 103 will be available only for use for the con-

struction of academic facilities for public community colleges and public technical institutes, and that funds allotted (or reallocated) for any year to the State under section 104 will be available only for use for the construction of academic facilities for institutions of higher education other than public community colleges and public technical institutes;

(4) provides (A) for assigning priorities solely on the basis of such criteria, standards, and methods to eligible projects submitted to the State commission and deemed by it to be otherwise approvable under the provisions of this title; and (B) for approving and recommending to the Commissioner, in the order of such priority, applications covering such eligible projects, and for certifying to the Commissioner the Federal share, determined by the State commission under the State plan, of the development cost of the project involved;

(5) provides for affording to every applicant, which has submitted to the State commission a project, an opportunity for a fair hearing before the State commission as to the priority assigned to such project or as to any other determination of the State commission adversely affecting such applicant; and

(6) provides (A) for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the State commission under this title, and (B) for the making of such reports, in such form and containing such information, as may be reasonably necessary to enable the Commissioner to perform his functions under this title.

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BASIC CRITERIA FOR DETERMINING PRIORITIES AND FEDERAL SHARE

SEC. 107. (a) As soon as practicable after the enactment of this Act the Commissioner shall by regulation prescribe basic criteria to which the provisions of State plans setting forth standards and methods for determining relative priorities of eligible construction projects, and the application of such standards and methods to such projects under such plans, shall be subject. Such basic criteria (1) shall be such as will best tend to achieve the objectives of this title while leaving opportunity and flexibility for the development of State plan standards and methods that will best accommodate the varied needs of institutions in the several States, and (2) shall give special consideration to expansion of undergraduate enrollment capacity. Subject to the foregoing requirements, such regulations may establish additional and appropriate basic criteria, including provision for considering the degree to which applicant institutions are effectively utilizing existing facilities, provision for allowing State plans to group or provide for grouping, in a reasonable manner, facilities or institutions according to functional or educational type for priority purposes, and, in view of the national objectives of this Act, provision for considering the degree to which the institution serves students from two or more States or from outside the United States; and in no event shall an institution's readiness to admit such out-of-State students be considered as a priority factor adverse to such institution.

(b) The Commissioner shall further prescribe by regulation the basic criteria for determining the Federal share of the development cost of any eligible project under this title within a State [other than a project for a public community college or public technical institute], to which criteria the applicable standards and methods set forth in the State plan for such State shall conform in the absence of a uniform statewide Federal share specified in or pursuant to such plan. In the case of a project for an institution of higher education other than a public community college or public technical institute, the Federal share shall in no event exceed 33½ per centum of its development cost; and in the case of a project for a public community college or public technical institute, the Federal share [shall be 40 per centum] *shall in no event exceed 40 per centum* of its development cost.

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TITLE II—GRANTS FOR CONSTRUCTION OF GRADUATE ACADEMIC FACILITIES

APPROPRIATIONS AUTHORIZED

SEC. 201. In order to increase the supply of highly qualified personnel critically needed by the community, industry, government, research, and teaching, the Commissioner shall, during the fiscal year ending June 30, 1964, and each of the four succeeding fiscal years, make construction grants to assist institutions of higher education to improve existing graduate schools and cooperative graduate centers, and to assist in the establishment of graduate schools and cooperative graduate centers of excellence. For the purpose of making grants under this title, there is hereby authorized to be appropriated the sum of \$25,000,000 for the fiscal year ending June 30, 1964, [and the sum of \$60,000,000 each for the fiscal year ending June 30, 1965, and the succeeding fiscal year]; *the sum of \$60,000,000 for the fiscal year ending June 30, 1965, and the sum of \$120,000,000 for the fiscal year ending June 30, 1966* but for the fiscal year ending June 30, 1967, and the succeeding fiscal year, only such sums may be appropriated as the Congress may hereafter authorize by law. Sums so appropriated for the fiscal year ending June 30, 1964, shall remain available for grants under this title until the end of the next succeeding fiscal year.

* * * * *

TITLE IV—GENERAL PROVISIONS

DEFINITIONS

SEC. 401. As used in this Act—

* * * * *

(d) The term "Federal share" means, in the case of a project for an institution of higher education other than a public community college or public technical institute, a percentage (as determined under the applicable State plan) not in excess of 33½ per centum of its development cost; and such term means, in the case of a public community college or public technical institute, *a percentage (as determined under the applicable State plan) not in excess of 40 per centum* of its development cost.

MINORITY VIEWS

We, the undersigned, have reservations about this bill in its present form. Even by the sometimes bizarre procedural standards of this committee, the treatment accorded this bill has been wholly unsatisfactory. Before turning to the merits of the bill, it is important to note the procedure by which this committee dealt with legislation affecting so vital a national interest as higher education.

"A mockery of the legislative process"

Our Democratic colleague, Mr. Pucinski, as quoted by the Wall Street Journal of July 1, 1965, described the handling of this bill as "a mockery of the legislative process." We agree; the committee's performance was so absurd and so demeaning to the integrity of the Congress as to invite repudiation.

Before the full committee made its changes, the Special Subcommittee on Education under the chairmanship of our colleague, Mrs. Green, had given careful consideration to the legislation as originally proposed by the Administration. The subcommittee had struck out provisions for Federal guarantees of student loans (mainly on the grounds that this need is being met by an increasing number of State and private loan guarantee programs). As reported by the subcommittee the bill still contained a controversial provision for Federal scholarships.

The subcommittee print came before the full committee on May 20, and on May 21 the committee voted to delete the scholarship provisions. Further consideration by the full committee was then suspended and the subcommittee print was laid on the chairman's desk. Thereafter, some members of the subcommittee informally worked out a scholarship plan keyed to NDEA loans which also involved repeal of the forgiveness provision of the loan program. No further action was taken on the higher education bill until June 24, when a clean bill was ordered reported in an extraordinary late afternoon session.

It was this unusual meeting which our colleague termed "a mockery of the legislative process." In a meeting lasting less than 20 minutes the committee majority rubber-stamped the new scholarship plan which it had not discussed, reinstated the Federal student loan guarantee plan previously rejected by the subcommittee, repudiated the subcommittee by reinstating the loan forgiveness feature of the NDEA, accepted an amendment which extends NDEA loans to new categories of institutions (an idea not previously discussed), and approved authorizations in excess of \$600 million annually without even having a clean print to examine. The question is *why* such a procedure was adopted. It could not have been the burning urgency of reporting some bill at any cost, because the bill that was introduced to carry out this hasty action was not itself reported until July 8. Certainly no impending crisis justified such action.

It is common knowledge that this unjustified action to approve a bill virtually "sight unseen" was *ordered* by the White House.

The "word" from downtown

This procedure by which congressional committees demean themselves and the entire legislative process is coming to be known as "getting the word from downtown." We raise no objection to a decent regard for the wishes of the President in legislative matters; this is part of the traditional relationship between a President and his party in the Congress. But we do protest the abject surrender of legislative responsibilities, often made—as in this case—in response to demands from the White House (whether originating from the President or not) which border on the irrational.

We note in the instance of this hastily assembled committee meeting on June 24 that on that very evening the President addressed a \$100 per plate Democratic dinner and ticked off nine congressional "achievements" ("And as if to give towering substance to my words tonight, the Congress in one day—today—moved on many fronts * * *"), listing first the reporting of the higher education bill. We should hate to think that the White House ordered hasty action on a measure of this importance simply to provide the President with a few lines in a political speech made later that evening.

Some of our Democratic colleagues perhaps feel that they can do no more than complain in private while they acquiesce to a callous disregard for the integrity of the Congress, but we feel that we have an obligation to the American people to bring this sort of procedure to their attention.

This Congress—by yielding to unreasonable demands—is endangering the separation of powers which is fundamental to our structure of government. We submit that the demand to act precipitously on H.R. 9567 was unreasonable and represents a profound contempt for education itself. Certainly the handling of this bill provides a vivid example of how power is misused when it becomes too concentrated.

PROVISIONS OF THE BILL

"Educational opportunity grants" (scholarships)

In the few minutes the committee saw fit to devote to this bill on June 24, it reversed its previous action and approved *part* of the scholarship plan devised informally by the subcommittee which had never been discussed in full committee. The subcommittee plan was to increase the NDEA student loan fund authorizations by about 25 percent and to permit the additional funds to be allocated to the neediest students as outright grants to cover part of their college expenses rather than a forgiveness if they should go into teaching. This plan had the merit of removing the troublesome forgiveness feature (a real thorn to college loan officers) while providing greater financial incentives for the neediest students. Mr. Quie and Mr. Goodell believe that it would be much wiser policy for the Federal Government to assist an extremely needy student to achieve a higher education than to induce him to secure a specific occupation after completion.

The committee without discussion, and obviously acting upon political motivation, restored the loan forgiveness provisions and thereby destroyed what the subcommittee carefully had devised.

We do not have identical views on the question of Federal scholarships (or "opportunity grants"), nor do the majority members of the

committee. Several of our Democratic colleagues argued rather persuasively that the scholarship program would create an inequitable situation in which two students who need financial help could be treated differently: one could receive an outright Federal grant while another equally needy student could be given a Federal loan which must be repaid. They argued that this arrangement penalizes the needy student who is most deserving of help because he is most willing to help himself by borrowing the needed funds. These are difficult arguments to answer.

The existing National Defense Education Act student loan program has been extremely successful in meeting the needs of students who require financial assistance. There are still other approaches to the problem of making opportunities for higher education available to all who can profit from it. Mr. Griffin argued persuasively that the funds included in this bill for scholarship grants should be transferred to a construction program for the rapid development and expansion of community colleges. Instead of handing out Federal scholarship grants as a means of making higher education opportunities available to all, he strongly believes that the Federal Government should concentrate on the goal of establishing at least a 2-year community college within easy commuting distance of every high school graduate.

We are unanimous in our view that the committee action—adding “opportunity grants” on top of loan forgiveness—seriously imperils the National Defense Education Act student loan program. The subcommittee, having heard expert testimony on the subject for several years, had concluded that loan forgiveness for teachers was a mistake.

We have received information that some students have entered the teaching profession because half their loan would be forgiven when their adviser recommended they not do so. It is not the shortage of teachers that is perplexing our schools but the shortage of well-qualified teachers. There was much evidence presented by college student aid officers that this provision does have the effect of making loan collections more difficult and administration of the program more expensive to the institutions. Many authorities raised questions as to the fairness of the provision, pointing out that there are a number of relatively low-paying professions in which there is a far greater shortage of personnel than in teaching. In fact, if this provision were to remain in the law there is no reason not to add a forgiveness for every occupational choice where there is presently a need for additional personnel.

As one college official succinctly put the case: If loan forgiveness has worked there is no longer any need for it, and if it hasn't worked it should be repealed.

Other arguments were persuasive to the subcommittee, also. There is a grave question as to the social utility of a special incentive to low-income students for entering relatively low income professions. There is the further question of whether that profession is served best by inducing to its ranks those who have only a financial interest (and a temporary one, at that) in teaching.

It is difficult to see how the student loan program can survive effectively if this bill is enacted. A large number of students will be receiving up to one-half of their assistance in the form of outright gifts, and for those in this group who subsequently become teachers

the loan forgiveness will mean that three-fourths of the aid will have been an outright gift. It is safe to predict that such a trend is not likely to be reversed, but extended, and that this spells the end of loans as a means of helping students to help themselves. It may also in its ultimate effect spell the end of private giving for scholarship purposes, for all these programs together take on more and more the character of Federal preemption of student financial aid.

Federal student loan guarantees—Completely unnecessary Federal intervention

The provisions for a Federal student loan insurance (or guarantee) program are completely unnecessary, and may very well do irreparable damage to private and State programs which have experienced enormous growth in the past few years. The mystery about this proposal is that it remains in the bill, because it was once struck out by the subcommittee on the grounds that it is not needed. Not one single college student aid officer appearing before the subcommittee requested this Federal program. On the contrary, the nearly unanimous view of college officials, bankers, and other student-aid experts is that a Federal program would be a mistake.

The facts are that student loans insured by State and private programs (such as United Student Aid, Inc.) have increased ninefold since 1962, with endorsements proceeding this year at an annual rate in excess of \$300 million. Mr. Allen D. Marshall, president of United Student Aid, Inc., a nonprofit corporation which establishes student loan guarantee programs for colleges and universities, wrote Senator Morse on June 11, 1965, that "State and private programs are now meeting all the demands which colleges make of them."

Mr. Marshall also took note of an obvious fact: that a Federal guarantee "will not of itself increase by a single penny the amounts available for nonprofit loans." These loans are made by banks and other private lending agencies, which will be making the loans without regard to whether the guarantor is a private, State, or Federal agency. They will not make such loans beyond the level that they may with prudence allocate to nonprofit loans.

The existence of a Federal program, while adding nothing to the availability of insured loans for students, will discourage State and private programs. As Mr. Marshall wrote on behalf of the United Student Aid Funds, "The inevitable result of a Federal insurance program would be the elimination of most, if not all, private and State programs."

This would be an unfortunate result. Nineteen States now have such programs, with 10 States having commenced operations in 1964, and others are expected to provide such assistance. Moreover, every accredited college which desires to take part in the United Student Aid Funds may do so. It may be argued that H.R. 9567 authorizes participation in private and State plans; but it does so *only* on Federal terms specified in the bill or left to the Commissioner of Education to determine. This amounts to Federal preemption of the field.

Among those terms is a provision for Federal subsidizing of the interest on loans made to students whose families have an "adjusted" annual income of less than \$15,000. Such grants would equal the entire amount of the accrued interest prior to the beginning of the repayment period, plus 3 percent per annum of the unpaid principal amount of the loan thereafter.

Such an arrangement could easily result in a neat windfall profit (at the taxpayers' expense) for a parent earning \$14,900 per year who had already provided for a child's college expenses without the necessity of a loan. Since need would not be a factor in eligibility for loans at this income level, an alert parent could have the student borrow the necessary amount at 6-percent interest, have the Federal Government pay interest for him amounting to more than 3 percent, and invest a like amount at $4\frac{1}{4}$ percent or more.

Only the Federal Government could propose such a scheme. State and private agencies can meet existing and future needs for student loan insurance up to the capacity of banks to make such loans, but they cannot throw the taxpayers' money around with wild abandon.

A better method to help meet college expenses—Tax credits

There is no secret about the fact that the administration is insisting upon a pointless Federal loan insurance program in order to use it to argue against proposals for tax credits to offset the expenses of higher education. Such a proposal would likely now be law had it not been for some strenuous White House arm twisting. It has been endorsed by the Republican Task Force on Education (on which four of us serve), by the Association of American Colleges, and by many of our colleagues in the Congress in both parties.

Loan guarantees, regardless of the identity of the guarantor, are useful only to those who can obtain commercial loans and choose to do so; they offer no permanent relief from rising educational costs and are of no particular assistance to the colleges. Tax credits would meet these needs, would assist all who pay a Federal income tax and who help pay student expenses, and would ease the pressure on higher education institutions which must, in any event, continue to increase tuition and fees during the years ahead.

The report of the Republican Task Force on Education, recently issued, explains the tax credit plan as follows:

HOW INCOME TAX CREDITS CAN GIVE RELIEF TO STUDENTS
AND THEIR FAMILIES WHILE AIDING COLLEGES AND UNI-
VERSITIES

To recognize the special burdens borne by some taxpayers and to grant them relief on their income tax has long been an established practice in our tax system. The general tendency has been to add more relief measures, such as the 7 percent credit for business investment approved 4 years ago. Should not higher education receive like encouragement? Higher education confers benefits not only on the individual but also upon society; it is certainly in the national interest, and there is good justification for granting recognition to those who carry the bulk of the load, students and their parents. To encourage and facilitate college education is at least as important and worthy an objective as many of the activities which now receive favorable tax treatment, and perhaps more so. This is particularly true at a time when costs of college attendance are soaring and a growing number of families are trying to enable several of their children to acquire a higher education.

The concern is not new, but the method of relief is. Direct aid and the objections to it have already been explored. Indirect relief was next suggested. The initial conception of indirect relief took the form of tax deductions and exemptions, but because of our progressive tax system, those receiving the most benefit were in the higher income brackets and needed the relief the least. This obviously did not adequately direct the relief to those most in need of it, to students and families in the lower and middle income groups.

Three years ago a new type of educational tax relief plan was introduced, designed to concentrate aid where it is needed the most, namely in the lower and middle income brackets. Under that plan a student, his parents, or anybody else who is paying his expenses could apply part or all of the tuition, fees, books, and supplies *against the income tax liability itself* rather than merely against the tax base, i.e., his income as under the deduction plans. In order to give relatively greater benefits to students attending public, low-tuition institutions it uses a graduated percentage scale of benefits. The plan which was arrived at after much deliberation by several Members of Congress would permit deduction from the income tax liability of 75 percent of the first \$200 of the cost of tuition, books, etc., 25 percent of the next \$300 and 10 percent of the next \$1,000. So the maximum credit would total \$325 if tuitions and other expenses reach \$1,500. This is what the credit would amount to:

Cost of tuitions, fees, books, and supplies	Amount	Tax credit percent of cost	Remaining net cost to student
\$200.....	\$150	75	\$50
400.....	200	50	200
600.....	235	39	365
1,000.....	275	28	725
1,500.....	325	21	1,175

In 1964-65, tuitions and fees at public universities and colleges averaged \$222. The tax credit would offset close to 75 percent or \$155.50, so that the remaining net tuition cost to the student would be \$66.50.

At private universities and colleges tuitions and fees averaged \$831. The tax credit would offset 31 percent or \$258.10, so that the remaining net tuition cost to the student would be \$572.90.

On the average then, the student at a public institution of higher learning would have three-fourths of his tuition and fees wiped out, at a private institution about one-third. The schedule is deliberately weighted in favor of the student at a public and low-tuition college because he is more likely to come from a family with a lower income. While tax credits would be of very material assistance to students and their families in helping them to ease their load; they would also soften the impact of future tuition boosts. As has been shown college fees have been steadily climbing and budgetary pressures will force the institutions to keep raising

their charges, although most boards of trustees strongly dislike doing so. Tax credits will enable students or their fathers to offset much or all of the tuition increases by a reduction in their income tax liability. This means that colleges will be able to add to their general revenues without imposing a commensurate burden on their students. Thus the institutions as well as the students will benefit from the tax credits—which probably is why the Association of American Colleges at its annual meeting in 1964 voted overwhelmingly to support educational tax credits.

Some have voiced the criticism that the tax credit would provide no relief to students, parents, and others with no taxable income. No information is available on the number of college students and their families who pay no Federal income tax. But it is certain that their number is very small. A recent survey at the University of California found that only 5 percent of the parents reported an income of \$4,000 or less. In addition a student might have his tuition and fees paid by another individual who would then be able to take the tax credit.

To suggest that colleges would raise their tuitions mainly to absorb the savings from tax credits is to suggest that their boards of trustees are utterly irresponsible. We may assume that they will boost tuitions only when the gap between financial needs and income leaves them only the alternative between higher fees and neglect or deterioration.

Educational tax credits are not intended to be substitutes for scholarships, but a necessary supplement. It is quite likely that the enactment of tax credits would lead to a sharp increase in the number of available scholarships since some students from middle-income families who are now recipients of scholarships could get along without them if they were given the tax credit. Many persons, whether relative, alumni, or whatever, would be willing to donate scholarships, that is, pay part or all of the expenses of one or several needy college students if they could deduct a material share of the cost from their income tax. For example, if an uncle, or a friend, or anybody else paid \$400 for the college expenses of a student he could deduct \$200 from his income tax. So his net cost would be only one-half of the benefit to the student.

The resulting revenue loss to the Treasury has been a frequently raised objection to the enactment of educational tax credits. This is a valid concern at a time when the Federal budget has been showing red balances for 6 years in the offing. Clearly it is incumbent upon the President and the Congress very carefully to review the competing claims for relief from the burden of Federal taxation and to allow only those with the greatest merit. At this juncture higher education rates top priority, preceded only by national security. It should receive consideration ahead of many other programs, old or new, of questionable justification.

The rate schedules suggested above would probably amount to between \$750 million and \$1 billion for tuition

credits. This does not seem unreasonable at this time and can be offset by cutbacks in other programs whose merits are of a more doubtful nature.

Other provisions of the bill

Title I would authorize Federal grants to colleges and universities to conduct extension programs of a public service nature which would be related especially to the solution of urban problems. The provisions of the bill are considerably improved over those suggested by the administration, tending to focus more precisely on programs of wide public interest. However, we feel that the title would be further strengthened by channeling these funds through a single State institution of higher learning consistent with the established pattern of agricultural extension. In previous years, bills introduced for general university extension followed this pattern. Some of us have reservations concerning the educational priority this title would give to general extension programs (as well as reservations concerning the need for Federal aid), but there is no doubt about the constructive role of universities in helping to solve difficult and mounting problems of urban growth.

Title II would authorize Federal grants to colleges and universities to assist them in improving their library resources and in training library personnel. This is a highly desirable purpose and this title should be considered as a logical supplement to the College Facilities Act provisions for library construction. It does little good to construct a building if there is an inadequate supply of volumes for it to house or an inadequate professional staff to supervise its use. Section 231 of the title is of very great importance to American scholarships and to all our libraries because it makes available funds to the Library of Congress for the acquisition, cataloging, and interlibrary exchange of library materials throughout the world which are of value to scholarships. We are most pleased with this title.

Title III would authorize Federal grants to colleges and universities to strengthen developing institutions of higher learning. This is an extremely worthwhile objective and we note that many of our established institutions have assumed some responsibilities along these lines, insofar as funds will permit. Some of us have reservations about the advisability of injecting the Federal Government too intimately into the affairs of our colleges through this program, but we all recognize the continuing need to improve weaker institutions. Mr. Griffin proposed an amendment in committee which would tend to lessen this apprehension by channeling these funds through the States, rather than having the U.S. Commissioner of Education make direct grants. Unfortunately, this idea was not explored, as it coincides with the pattern of administration already established for the College Facilities Act.

CONCLUSION

We sincerely regret the atmosphere of animosity created by the handling of this bill in our committee. While we do not hold identical views regarding the proper role of the Federal Government in financing higher education, we are united in the conviction that legislation affecting higher education should receive the most careful and thorough consideration. Republican members of this committee have made

vital contributions to higher education legislation over the years, and it is our intention to continue these efforts in a constructive manner.

If legislation affecting education continues in this atmosphere the Federal involvement is going to be completely chaotic. We have a deep concern for the vitality of our system of higher education, and for its independence and educational integrity. We hope that enough thoughtful Democratic colleagues will conclude that the risk of impairing a great national resource like higher education is more frightening than the risk of offending the President.

WILLIAM H. AYRES,
ROBERT P. GRIFFIN,
ALBERT H. QUIE,
CHARLES E. GOODELL,
JOHN M. ASHBROOK,
DAVE MARTIN,
GLENN ANDREWS,
EDWARD J. GURNEY,
Members of Congress.



89TH CONGRESS
1ST SESSION

H. R. 9567

[Report No. 621]

IN THE HOUSE OF REPRESENTATIVES

JUNE 30, 1965

Mrs. GREEN of Oregon introduced the following bill; which was referred to the Committee on Education and Labor

JULY 14, 1965

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Omit the part struck through and insert the part printed in italic]

A BILL

To strengthen the educational resources of our colleges and universities and to provide financial assistance for students in postsecondary and higher education.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Higher Education Act
4 of 1965".

5 TITLE I—COMMUNITY SERVICE PROGRAMS

6 DECLARATION OF PURPOSE; APPROPRIATIONS AUTHORIZED

7 SEC. 101. (a) The Congress finds that a greater involve-
8 ment of institutions of higher education in the solution of
9 problems brought about by increasing urbanization is essen-
10 tial to the rapid and effective solution of such problems. The

1 Congress also finds that an increase in the availability of
2 educational offerings by institutions of higher education for
3 persons in the community is necessary in order to insure that
4 the latest knowledge and techniques are brought to bear on
5 urban and suburban problems. The Congress further finds
6 that a strengthening of the resources of institutions of higher
7 education is desirable in order to facilitate a more effective
8 utilization of such resources in meeting the growing needs of
9 our urban and suburban communities. The Congress, there-
10 fore, declares that the purpose of this title is to provide a
11 program of support for institutions of higher education in
12 their establishing and maintaining community service pro-
13 grams designed to achieve these ends.

14 (b) There are authorized to be appropriated \$50,-
15 000,000 for the fiscal year ending June 30, 1966, to enable
16 the Commissioner to make grants under this title. For the
17 fiscal year ending June 30, 1967, and each of the three suc-
18 ceeding fiscal years, there may be appropriated, to enable
19 the Commissioner to make such grants, only such sums as
20 the Congress may hereafter authorize by law.

21 DEFINITION OF COMMUNITY SERVICE PROGRAM

22 SEC. 102. For purposes of this title, the term "commu-
23 nity service program" means—

24 (1) an educational program, activity, or service,
25 including a research program, which is specifically de-

signed to assist in the solution of urban or suburban problems, or

(2) an educational program, activity, or service which is designed to assist in the solution of community problems where the institution offering such program, activity, or service determines—

(A) that the proposed program, activity, or service is not otherwise available, and

(B) that the conduct of the program or performance of the activity or service is consistent with the institution's overall educational program and is of such a nature as is appropriate to the effective utilization of the institution's special resources and the competencies of its faculty.

Where such an educational program, activity, or service involves course offerings, such courses must be university extension or continuing education courses and must be—

(i) fully acceptable toward an academic degree, or

(ii) of college level as determined by the institution offering such courses,

except, in no event, shall such courses be of a frivolous nature.

ALLOTMENTS TO STATES

SEC. 103. (a) Of the sums appropriated pursuant to section 101 for each fiscal year, the Commissioner shall allot

1 \$25,000 each to Guam, American Samoa, the Common-
2 wealth of Puerto Rico, and the Virgin Islands and \$100,000
3 to each of the other States, and he shall allot to each State
4 an amount which bears the same ratio to the remainder of
5 such sums as the population of the State bears to the popula-
6 tion of all States.

7 (b) The amount of any State's allotment under sub-
8 section (a) for any fiscal year which the Commissioner de-
9 termines will not be required for such fiscal year for carry-
10 ing out the State plan (if any) approved under this title
11 shall be available for reallocation from time to time, on such
12 dates during such year as the Commissioner may fix, to other
13 States in proportion to the original allotments to such States
14 under such subsection for such year, but with such propor-
15 tionate amount for any of such States being reduced to the
16 extent it exceeds the sum the Commissioner estimates such
17 State needs and will be able to use for such year for carry-
18 ing out the State plan; and the total of such reductions shall
19 be similarly reallocated among the States whose proportionate
20 amounts were not so reduced. Any amount reallocated to a
21 State under this subsection during a year from funds appro-
22 priated pursuant to section 101 shall be deemed part of its
23 allotment under subsection (a) for such year.

24 (c) In accordance with regulations of the Commis-
25 sioner, any State may file with him a request that a specified

1 portion of its allotment under this title be added to the allot-
2 ment of another State under this title for the purpose of meet-
3 ing a portion of the Federal share of the cost of providing
4 community service programs under this title. If it is found
5 by the Commissioner that the programs with respect to which
6 the request is made would meet needs of the State making
7 the request and that use of the specified portion of such
8 State's allotment, as requested by it, would assist in carrying
9 out the purposes of this title, such portion of such State's al-
10 lotment shall be added to the allotment of the other State
11 under this title to be used for the purpose referred to above.

12 (d) The population of a State and of all the States
13 shall be determined by the Commissioner on the basis of the
14 most recent satisfactory data available from the Department
15 of Commerce.

16 USES OF ALLOTTED FUNDS

17 SEC. 104. A State's allotment under section 103 may
18 be used, in accordance with its State plan approved under
19 section 105 (b), to provide new, expanded, or improved
20 community service programs.

21 STATE PLANS

22 SEC. 105. (a) Any State desiring to receive its allot-
23 ment of Federal funds under this title shall designate or
24 create a State agency or institution which has special quali-
25 fications with respect to solving community problems and

1 which is broadly representative of institutions of higher edu-
2 cation in the State which are competent to offer community
3 service programs, and shall submit to the Commissioner
4 through the agency or institution so designated a State plan.
5 If a State desires to designate for the purposes of this section
6 an existing State agency or institution which does not meet
7 these requirements, it may do so if the agency or institution
8 takes such action as may be necessary to acquire such quali-
9 fications and assure participation of such institutions, or if it
10 designates or creates a State advisory council which meets
11 the requirements not met by the designated agency or in-
12 stitution to consult with the designated agency or institution
13 in the preparation of the State plan. A State plan sub-
14 mitted under this title shall be in such detail as the Com-
15 missioner deems necessary and shall—

16 (1) provide that the agency or institution so desig-
17 nated or created shall be the sole agency for adminis-
18 tration of the plan or for supervision of the administration
19 of the plan; and provide that such agency or institution
20 shall consult with any State advisory council required
21 to be created by this section with respect to policy mat-
22 ters arising in the administration of such plan;

23 (2) set forth a comprehensive, coordinated, and
24 statewide system of community service programs
25 under which funds paid to the State (including funds

1 paid to an institution pursuant to section 106 (b)) under
2 its allotments under section 103 will be expended solely
3 for community service programs which have been ap-
4 proved by the agency or institution administering the
5 plan;

6 (3) set forth the policies and procedures to be
7 followed in allocating Federal funds to institutions of
8 higher education in the State, which policies and pro-
9 cedures shall insure that due consideration will be
10 given—

11 (A) to the relative capacity and willingness
12 of particular institutions of higher education
13 (whether public or private) to provide effective
14 community service programs;

15 (B) to the availability of and need for com-
16 munity service programs among the population
17 within the State; and

18 (C) to the results of periodic evaluations of
19 the programs carried out under this title in the light
20 of information regarding current and anticipated
21 community problems in the State;

22 (4) set forth policies and procedures designed to
23 assure that Federal funds made available under this title
24 will be so used as not to supplant State or local funds, or
25 funds of institutions of higher education, but supplement

1 them, and, to the extent practicable, increase the
2 amounts of such funds that would in the absence of such
3 Federal funds be made available for community service
4 programs;

5 (5) set forth such fiscal control and fund account-
6 ing procedures as may be necessary to assure proper
7 disbursement of and accounting for Federal funds paid
8 to the State (including such funds paid by the State or
9 by the Commissioner to institutions of higher education)
10 under this title; and

11 (6) provide for making such reports in such form
12 and containing such information as the Commissioner
13 may reasonably require to carry out his functions under
14 this title, and for keeping such records and for affording
15 such access thereto as the Commissioner may find neces-
16 sary to assure the correctness and verification of such
17 reports.

18 (b) The Commissioner shall approve any State plan
19 and any modification thereof which complies with the provi-
20 sions of subsection (a).

21 PAYMENTS

22 SEC. 106. (a) Payment under this title shall be made
23 to those State agencies and institutions which administer
24 plans approved under section 105 (b). Payments under this
25 title from a State's allotment with respect to the cost of

1 developing and carrying out its State plan shall equal 75
2 per centum of such costs for the fiscal year ending June 30,
3 1966, and 50 per centum of such costs for the fiscal year
4 ending June 30, 1967, and each of the three succeeding
5 fiscal years, except that no payments for any fiscal year shall
6 be made to any State with respect to expenditures for devel-
7 oping and administering the State plan which exceed 5 per
8 centum of the costs for that year for which payment under
9 this subsection may be made to that State. In determining
10 the cost of developing and carrying out a State's plan, there
11 shall be excluded any cost with respect to which payments
12 were received under any other Federal program.

13 (b) Payments to a State under this title may be made in
14 installments and in advance or by way of reimbursement
15 with necessary adjustments on account of overpayments or
16 underpayments, and they may be paid directly to the State
17 or to one or more participating institutions of higher educa-
18 tion designated for this purpose by the State, or to both.

19 ADMINISTRATION OF STATE PLANS

20 SEC. 107. (a) The Commissioner shall not finally dis-
21 approve any State plan submitted under this title, or any
22 modification thereof, without first affording the State agency
23 or institution submitting the plan reasonable notice and
24 opportunity for a hearing.

1 (b) Whenever the Commissioner, after reasonable
2 notice and opportunity for hearing to the State agency or
3 institution administering a State plan approved under sec-
4 tion 105 (b) , finds that—

5 (1) the State plan has been so changed that
6 it no longer complies with the provisions of section
7 105 (a) , or

8 (2) in the administration of the plan there is a
9 failure to comply substantially with any such provision,
10 the Commissioner shall notify the State agency or institution
11 that the State will not be regarded as eligible to participate
12 in the program under this title until he is satisfied that there
13 is no longer any such failure to comply.

14 JUDICIAL REVIEW

15 SEC. 108. (a) If any State is dissatisfied with the Com-
16 missioner's final action with respect to the approval of its
17 State plan submitted under section 105 (a) or with his final
18 action under section 107 (b) , such State may, within sixty
19 days after notice of such action, file with the United States
20 court of appeals for the circuit in which the State is located
21 a petition for review of that action. A copy of the petition
22 shall be forthwith transmitted by the clerk of the court to the
23 Commissioner. The Commissioner thereupon shall file in
24 the court the record of the proceedings on which he based

1 his action, as provided in section 2112 of title 28, United
2 States Code.

3 (b) The findings of fact by the Commissioner, if sup-
4 ported by substantial evidence, shall be conclusive; but the
5 court, for good cause shown, may remand the case to the
6 Commissioner to take further evidence, and the Commis-
7 sioner may thereupon make new or modified findings of fact
8 and may modify his previous action, and shall certify to the
9 court the record of the further proceedings. Such new or
10 modified findings of fact shall likewise be conclusive if sup-
11 ported by substantial evidence.

12 (c) The court shall have jurisdiction to affirm the action
13 of the Commissioner or to set it aside, in whole or in part.
14 The judgment of the court shall be subject to review by the
15 Supreme Court of the United States upon certiorari or certifi-
16 cation as provided in section 1254 of title 28, United States
17 Code.

18 NATIONAL ADVISORY COMMITTEE ON COMMUNITY SERVICE
19 PROGRAMS

20 SEC. 109. (a) The Commissioner shall establish in the
21 Office of Education a National Advisory Committee on
22 Community Service Programs (hereinafter referred to
23 as the "Advisory Committee"), consisting of the Commis-
24 sioner, who shall be Chairman, one representative each of

1 the Departments of Agriculture, Commerce, Defense, Labor,
2 Interior, and State, of the Housing and Home Finance
3 Agency and the Office of Economic Opportunity, and of such
4 other Federal agencies having extension education responsi-
5 bilities as the Commissioner may designate, and six members
6 appointed, for staggered terms and without regard to the
7 civil service laws, by the Commissioner with the approval of
8 the Secretary of Health, Education, and Welfare. Such six
9 members shall, to the extent possible, include persons knowl-
10 edgeable in the field of extension and continuing education,
11 State and local officials and other persons having special
12 knowledge, experience, or qualification with respect to com-
13 munity problems, and persons representative of the general
14 public. The Advisory Committee shall meet at the call of
15 the Chairman but not less often than twice a year.

16 (b) The Advisory Committee shall advise the Commis-
17 sioner in the preparation of general regulations and with
18 respect to policy matters arising in the administration of this
19 title, including policies and procedures governing the ap-
20 proval of State plans under section 105 (b) .

21 (c) Members of the Advisory Committee who are not
22 regular full-time employees of the United States shall, while
23 serving on the business of the Advisory Committee, be en-
24 titled to receive compensation at rates fixed by the Secre-
25 tary, but not exceeding \$100 per day, including travel time;

1 and, while so serving away from their homes or regular
2 places of business, members may be allowed travel expenses,
3 including per diem in lieu of subsistence, as authorized by
4 section 5 of the Administrative Expenses Act of 1946 (5
5 U.S.C. 73b-2) for persons in the Government service em-
6 ployed intermittently.

7 REVIEW OF COMMUNITY SERVICE PROGRAMS AND OF THE
8 PROVISIONS OF THIS TITLE

9 SEC. 110. (a) The Secretary shall, during 1968, ap-
10 point a Review Council on Community Service Programs
11 (hereafter in this title referred to as the "Council") for
12 the purpose of reviewing the administration of community
13 service programs for which funds are appropriated pursuant
14 to this title and making recommendations for the improve-
15 ment of that administration, and for purpose of reviewing the
16 effectiveness of and making recommendations with respect
17 to these community service programs and with respect to
18 this title.

19 (b) The Council shall be appointed by the Secretary
20 without regard to the civil service laws and shall consist of
21 twelve persons who shall, to the extent possible, include per-
22 sons knowledgeable in the field of extension and continuing
23 education, State and local officials having special knowledge.
24 experience, or qualification with respect to community prob-
25 lems, and persons representative of the general public.

1 (c) The Secretary is authorized to engage such technical
2 assistance as may be required to carry out the functions
3 of the Council, and the Secretary shall, in addition, make
4 available to the Council such secretarial, clerical, and other
5 assistance and such pertinent data prepared by the Depart-
6 ment of Health, Education, and Welfare as it may require
7 to carry out its functions.

8 (d) The Council shall make a report of its findings and
9 recommendations (including recommendations for changes
10 in the provisions of this title) to the Secretary, such report
11 to be submitted not later than March 31, 1969, after which
12 date such Council shall cease to exist. The Secretary shall
13 transmit such report to the President for transmittal to the
14 Congress together with his comments and recommendations.

15 (e) Members of the Council who are not regular full-
16 time employees of the United States shall, while serving on
17 business of the Council, be entitled to receive compensation
18 at rates fixed by the Secretary, but not exceeding \$100 per
19 day, including travel time; and while so serving away from
20 their homes or regular places of business, members may be
21 allowed travel expenses, including per diem in lieu of sub-
22 sistence, as authorized by section 5 of the Administrative
23 Expenses Act of 1946 (5 U.S.C. 73b-2) for persons in
24 Government service employed intermittently.

1 RELATIONSHIP TO OTHER EXTENSION PROGRAMS

2 SEC. 111. Nothing in this title shall modify authorities
3 under the Act of February 23, 1917 (Smith-Hughes Voca-
4 tional Education Act), as amended (20 U.S.C. 11-15,
5 16-28) ; the Vocational Education Act of 1946, as amended
6 (20 U.S.C. 15i-15m, 15o-15q, 15aa-15jj, and 15aaa-
7 15ggg) ; the Vocational Education Act of 1963 (20 U.S.C.
8 35-35n) ; title VIII of the Housing Act of 1964 (Public
9 Law 88-560) ; or the Act of May 8, 1914 (Smith-Lever
10 Act), as amended (7 U.S.C. 341-348).

11 TITLE II—COLLEGE LIBRARY ASSISTANCE AND

12 LIBRARY TRAINING AND RESEARCH

13 PART A—COLLEGE LIBRARY RESOURCES

14 APPROPRIATIONS AUTHORIZED

15 SEC. 201. There are authorized to be appropriated
16 \$50,000,000 for the fiscal year ending June 30, 1966,
17 to enable the Commissioner to make grants under this part
18 to institutions of higher education to assist and encourage
19 such institutions in the acquisition for library purposes of
20 books, periodicals, documents, magnetic tapes, phonograph
21 records, audiovisual materials, and other related library ma-
22 terials (including necessary binding). For the fiscal year
23 ending June 30, 1967, and each of the three succeeding fiscal
24 years, there may be appropriated, to enable the Commis-

1 sioner to make such grants, only such sums as the Congress
2 may hereafter authorize by law.

3 BASIC GRANTS

4 SEC. 202. From 75 per centum of the sums appropriated
5 pursuant to section 201 for any fiscal year, the Commissioner
6 is authorized to make basic grants for the purposes set forth
7 in that section to institutions of higher education and com-
8 binations of such institutions. The amount of a basic grant
9 shall not exceed \$5,000 for each such institution, and a
10 basic grant under this subsection may be made only if the
11 application therefor is approved by the Commissioner upon
12 his determination that the application (whether by an in-
13 dividual institution or a combination of institutions) —

14 (a) provides satisfactory assurance that the appli-
15 cant will expend during the fiscal year for which the
16 grant is requested (from funds other than funds received
17 under this part) for all library purposes (exclusive of
18 construction) (1) an amount not less than the average
19 annual amount it expended for such purposes during
20 the two-year period ending June 30, 1965, and (2) an
21 amount (from such other sources) equal to not less than
22 the amount of such grant;

23 (b) provides satisfactory assurance that the appli-
24 cant will expend during the fiscal year for which the
25 grant is requested (from funds other than funds received

under this part) for books, periodicals, documents, magnetic tapes, phonograph records, audiovisual materials, and other related materials (including necessary binding) for library purposes an amount not less than the average annual amount it expended for such materials during the two-year period ending June 30, 1965;

(c) provides for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the applicant under this section; and

(d) provides for making such reports, in such form and containing such information, as the Commissioner may require to carry out his functions under this section, and for keeping such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports.

SUPPLEMENTAL GRANTS

SEC. 203. (a) From the remainder of such 75 per centum of the sums appropriated pursuant to section 201 for any fiscal year, the Commissioner is authorized to make supplemental grants for the purposes set forth in that section to institutions of higher education and combinations of such institutions. The amount of a supplemental grant shall not exceed \$10 for each full-time student (including the full-

1 time equivalent of the number of part-time students) en-
2 rolled in each such institution, as determined pursuant to
3 regulations of the Commissioner. A supplemental grant
4 may be made only upon application therefor, in such form
5 and containing such information as the Commissioner may
6 require, which application shall—

7 (1) meet the application requirements set forth in
8 section 202 except for the matching requirement set
9 forth in paragraph (a) (2) of that section;

10 (2) describe the size and quality of the library
11 resources of the applicant in relation to its present en-
12 rollment and any expected increase in its enrollment;

13 (3) set forth any special circumstances which are
14 impeding or will impede the proper development of its
15 library resources; and

16 (4) provide a general description of how a supple-
17 mental grant would be used to improve the size or
18 quality of its library resources.

19 (b) The Commissioner shall approve applications for
20 supplemental grants on the basis of basic criteria prescribed
21 in regulations and developed after consultation with the
22 Council created under section 205. Such basic criteria shall
23 be such as will best tend to achieve the objectives of this part
24 and they may take into consideration factors such as the size

1 and age of the library collection, student enrollment, and
2 endowment and other financial resources.

3 SPECIAL PURPOSE GRANTS

4 SEC. 204. Twenty-five per centum of the sums appro-
5 priated pursuant to section 201 for each fiscal year, plus any
6 part of the remainder of such sums as the Commissioner
7 determines will not be needed for making grants under sec-
8 tions 202 and 203, shall be used by the Commissioner to
9 make special grants (a) to institutions of higher education
10 which demonstrate a special need for additional library re-
11 sources and which demonstrate that such additional library
12 resources will make a substantial contribution to the quality
13 of their educational resources, (b) to institutions of higher
14 education to meet special national or regional needs in the
15 library and information sciences, and (c) to combinations of
16 institutions of higher education which need special assistance
17 in establishing joint-use facilities. Grants under this section
18 may be used only for books, periodicals, documents, magnetic
19 tapes, phonograph records, audiovisual materials, and other
20 related library materials (including necessary binding).

21 ADVISORY COUNCIL ON COLLEGE LIBRARY RESOURCES

22 SEC. 205. (a) The Commissioner shall establish in the
23 Office of Education an Advisory Council on College Library
24 Resources consisting of the Commissioner, who shall be

1 Chairman, and eight members appointed, without regard to
2 the civil service laws, by the Commissioner with the ap-
3 proval of the Secretary.

4 (b) The Advisory Council shall advise the Commis-
5 sioner with respect to establishing criteria for the making of
6 supplemental grants under section 203 and the making of
7 special purpose grants under section 204. The Commis-
8 sioner may appoint such special advisory and technical ex-
9 perts and consultants as may be useful in carrying out the
10 functions of the Advisory Council.

11 (c) Members of the Advisory Council, while serving on
12 business of the Advisory Council, shall receive compensation
13 at a rate to be fixed by the Secretary, but not exceeding
14 \$100 per day, including travel time; and, while so serving
15 away from their homes or regular places of business, they
16 may be allowed travel expenses, including per diem in lieu
17 of subsistence, as authorized by section 5 of the Administra-
18 tive Expenses Act of 1946 (5 U.S.C. 73b-2) for persons
19 in the Government service employed intermittently.

20 ACCREDITATION REQUIREMENT FOR PURPOSES OF THIS

21 PART

22 SEC. 206. For the purposes of this part, an educational
23 institution shall be deemed to have been accredited by a
24 nationally recognized accrediting agency or association if the
25 Commissioner determines that there is satisfactory assurance

1 that upon acquisition of the library resources with respect to
2 which assistance under this part is sought, or upon acquisition
3 of those resources and other library resources planned
4 to be acquired within a reasonable time, the institution will
5 meet the accreditation standards of such agency or association.
6 ciation.

7 LIMITATION

8 SEC. 207. No grant may be made under this part for
9 books, periodicals, documents, or other related materials to
10 be used for sectarian instruction or religious worship, or
11 primarily in connection with any part of the program of a
12 school or department of divinity. For purposes of this section,
13 the term "school or department of divinity" means an
14 institution or a department or branch of an institution whose
15 program is specifically for the education of students to prepare
16 them to become ministers of religion or to enter upon
17 some other religious vocation, or to prepare them to teach
18 theological subjects.

19 CONSULTATION WITH STATE AGENCY

20 SEC. 208. Each institution of higher education which
21 receives a grant under this part shall consult with respect to
22 its activities under this part with the State agency (if any)
23 which is concerned with the educational activities of all institutions
24 of higher education in the State in which the recipient
25 institution is located.

1 PART B—LIBRARY TRAINING AND RESEARCH

2 APPROPRIATIONS AUTHORIZED

3 SEC. 221. There are authorized to be appropriated
4 \$15,000,000 for the fiscal year ending June 30, 1966, for
5 the purpose of carrying out this part. For the fiscal year
6 ending June 30, 1967, and each of the three succeeding fiscal
7 years, there may be appropriated for such purpose only such
8 sums as the Congress may hereafter authorize by law.

9 DEFINITION OF "LIBRARIANSHIP"

10 SEC. 222. For the purposes of this part the term "li-
11 brarianship" means the principles and practices of the library
12 and information sciences, including the acquisition, organiza-
13 tion, storage, retrieval, and dissemination of information, and
14 reference and research use of library and other information
15 resources.

16 GRANTS FOR TRAINING IN LIBRARIANSHIP

17 SEC. 223. (a) The Commissioner is authorized to make
18 grants to institutions of higher education to assist them in
19 training persons in librarianship. Such grants may be
20 used by such institutions to assist in covering the cost of
21 courses of training or study for such persons, and for estab-
22 lishing and maintaining fellowships or traineeships with sti-
23 pends (including allowances for traveling, subsistence, and

1 other expenses) for fellows and others undergoing training
2 and their dependents not in excess of such maximum amounts
3 as may be prescribed by the Commissioner.

4 (b) The Commissioner may make a grant to an institu-
5 tion of higher education only upon application by the institu-
6 tion and only upon his finding that such program will sub-
7 stantially further the objective of increasing the opportunities
8 throughout the Nation for training in librarianship.

9 RESEARCH AND DEMONSTRATIONS RELATING TO LIBRARIES
10 AND THE TRAINING OF LIBRARY PERSONNEL

11 SEC. 224. (a) The Commissioner is authorized to make
12 grants to institutions of higher education and other public
13 or private agencies, institutions, and organizations, for
14 research and demonstration projects relating to the improve-
15 ment of libraries or the improvement of training in librarian-
16 ship, including the development of new techniques, systems,
17 and equipment for processing, storing, and distributing
18 information, and for the dissemination of information derived
19 from such research and demonstrations, and, without regard
20 to section 3709 of the Revised Statutes (41 U.S.C. 5), to
21 provide by contracts with them for the conduct of such
22 activities; except that no such grant may be made to a

1 private agency, organization, or institution other than a
2 nonprofit one.

3 (b) The Commissioner is authorized to appoint a special
4 advisory committee of not more than nine members to advise
5 him on matters of general policy concerning research and
6 demonstration projects relating to the improvement of
7 libraries and the improvement of training in librarianship,
8 or concerning special services necessary thereto or special
9 problems involved therein.

10 (c) Members of the committee appointed under this
11 section who are not regular full-time employees of the United
12 States shall, while serving on the business of the committee,
13 be entitled to receive compensation at rates fixed by the
14 Commissioner, but not in excess of \$100 per diem, including
15 travel time; and they may, while so serving away from their
16 homes or regular places of business, be allowed travel ex-
17 penses, including per diem in lieu of subsistence, as authorized
18 by section 5 of the Administrative Expenses Act of 1946
19 (5 U.S.C. 73b-2) for persons in the Government service
20 employed intermittently.

21

REPEALER

22 SEC. 225. Effective July 1, 1965, section 1101 of the
23 National Defense Education Act of 1958 is amended by

1 adding the word "or" at the end of clause (2), by striking
2 out clause (3), and by renumbering clause (4) as clause
3 (3).

4 PART C—STRENGTHENING COLLEGE AND RESEARCH
5 LIBRARY RESOURCES

6 APPROPRIATIONS AUTHORIZED

7 SEC. 231. There are hereby authorized to be appro-
8 priated \$5,000,000 for the fiscal year ending June 30, 1966,
9 to enable the Commissioner to transfer funds to the Librarian
10 of Congress for the purpose of—

11 (a) acquiring, so far as possible, all library mate-
12 rials currently published throughout the world which are
13 of value to scholarship; and

14 (b) providing catalog information for such mate-
15 rials promptly after receipt, and using for exchange and
16 other purposes such of these materials as are not needed
17 for the Library of Congress collection.

18 For the fiscal year ending June 30, 1967, and each of the
19 three succeeding fiscal years, there may be appropriated,
20 to enable the Commissioner to transfer funds to the Librarian
21 of Congress for such purpose, only such sums as the Congress
22 may hereafter authorize by law.

1 TITLE III—STRENGTHENING DEVELOPING
2 INSTITUTIONS

3 STATEMENT OF PURPOSE, AND APPROPRIATIONS

4 AUTHORIZED

5 SEC. 301. (a) The purpose of this title is to assist in
6 raising the academic quality of colleges which have the
7 desire and potential to make a substantial contribution to the
8 higher education resources of our Nation but which for finan-
9 cial and other reasons are struggling for survival and are
10 isolated from the main currents of academic life, and to do
11 so by enabling the Commissioner to establish a national
12 teaching fellow program and to encourage and assist in the
13 establishment of cooperative arrangements under which these
14 colleges may draw on the talent and experience of our finest
15 colleges and universities, and on the educational resources
16 of business and industry, in their effort to improve their
17 academic quality.

18 (b) There are authorized to be appropriated \$30,000,-
19 000 for the fiscal year ending June 30, 1966, to carry out
20 the provisions of this title. For the fiscal year ending June
21 30, 1967, and each of the three succeeding fiscal years, there
22 may be appropriated, to carry out such provisions, only such
23 sums as the Congress may hereafter authorize by law.

1 DEFINITION OF "DEVELOPING INSTITUTION"

2 SEC. 302. As used in this title the term "developing
3 institution" means a public or nonprofit educational institu-
4 tion in any State which—

5 (a) admits as regular students only persons having
6 a certificate of graduation from a school providing sec-
7 ondary education, or the recognized equivalent of such a
8 certificate;

9 (b) is legally authorized to provide, and provides
10 within the State, an educational program for which it
11 awards a bachelor's degree;

12 (c) will, by the end of the academic year for which
13 it seeks assistance under this title, have awarded a bache-
14 lor's degree for six consecutive academic years;

15 (d) is accredited by a nationally recognized accred-
16 iting agency or association determined by the Com-
17 missioner to be reliable authority as to the quality of
18 training offered or is, according to such an agency or
19 association, making reasonable progress toward accredi-
20 tation;

21 (e) is making a reasonable effort to improve the
22 quality of its teaching and administrative staffs and of
23 its student services;

(f) is seriously handicapped in its efforts to improve such staffs and services by lack of financial resources and a shortage of qualified professional personnel;

(g) meets such other requirements as the Commissioner may prescribe by regulation; and

(h) is not an institution, or department or branch of an institution, whose program is specifically for the education of students to prepare them to become ministers of religion or to enter upon some other religious vocation or to prepare them to teach theological subjects.

ADVISORY COUNCIL ON DEVELOPING INSTITUTIONS

SEC. 303. (a) The Commissioner shall establish in the Office of Education an Advisory Council on Developing Institutions (hereinafter in this title referred to as the "Council"), consisting of the Commissioner, who shall be Chairman, one representative each of such Federal agencies having responsibilities with respect to developing institutions as the Commissioner may designate, and eight members appointed, without regard to the civil service laws, by the Commissioner with the approval of the Secretary.

(b) The Council shall advise the Commissioner with respect to policy matters arising in the administration of this title and in particular shall assist the Commissioner in identifying those developing institutions through which the purposes of this title can best be achieved and in estab-

1 lishing priorities for use in approving applications under
2 this title. The Commissioner may appoint such special
3 advisory and technical experts and consultants as may be
4 useful in carrying out the functions of the Council.

5 (c) Members of the Council who are not otherwise
6 full-time employees of the United States shall, while serv-
7 ing on business of the Council, receive compensation at
8 a rate to be fixed by the Secretary, but not exceeding
9 \$100 per day, including travel time; and, while so serving
10 away from their homes or regular places of business, mem-
11 bers may be allowed travel expenses, including per diem
12 in lieu of subsistence, as authorized by section 5 of the
13 Administrative Expenses Act of 1946 (5 U.S.C. 73b-2)
14 for persons in the Government service employed inter-
15 mittently.

16 GRANTS FOR COOPERATIVE AGREEMENTS TO STRENGTHEN

17 DEVELOPING INSTITUTIONS

18 SEC. 304. (a) The Commissioner is authorized to make
19 grants to developing institutions and other colleges and uni-
20 versities to pay part of the cost of planning, developing, and
21 carrying out cooperative arrangements which show promise
22 as effective measures for strengthening the academic pro-
23 grams of developing institutions. Such cooperative arrange-
24 ments may be between developing institutions, between de-
25 veloping institutions and other colleges and universities, and

1 between developing institutions and organizations, agencies,
2 and business entities. Grants under this section may be used
3 for projects and activities such as—

4 (1) exchange of faculty or students, including ar-
5 rangements for bringing visiting scholars to developing
6 institutions;

7 (2) faculty improvement programs utilizing train-
8 ing, education, internships, research participation, and
9 other means;

10 (3) introduction of new curriculums and curricular
11 materials;

12 (4) development and operation of cooperative edu-
13 cation programs involving alternate periods of academic
14 study and business or public employment;

15 (5) joint use of facilities such as libraries or labora-
16 tories, including necessary books, materials, and equip-
17 ment; and

18 (6) other arrangements which offer promise of
19 strengthening the academic programs of developing in-
20 stitutions.

21 (b) A grant may be made under this section only upon
22 application to the Commissioner at such time or times and
23 containing such information as he deems necessary. The
24 Commissioner shall not approve an application unless it—

25 (1) sets forth a program for carrying out one or

1 more projects or activities which meet the requirements
2 of subsection (a) and provides for such methods of ad-
3 ministration as are necessary for the proper and efficient
4 operation of the program;

5 (2) sets forth policies and procedures which assure
6 that Federal funds made available under this section
7 for any fiscal year will be so used as to supplement and,
8 to the extent practical, increase the level of funds that
9 would, in the absence of such Federal funds, be made
10 available for purposes which meet the requirements of
11 subsection (a), and in no case supplant such funds;

12 (3) provides for such fiscal control and fund ac-
13 counting procedures as may be necessary to assure
14 proper disbursement of and accounting for Federal funds
15 paid to the applicant under this section; and

16 (4) provides for making such reports, in such form
17 and containing such information, as the Commissioner
18 may require to carry out his functions under this title,
19 and for keeping such records and for affording such
20 access thereto as the Commissioner may find necessary
21 to assure the corrections and verification of such reports.

22 (c) The Commissioner shall, after consultation with
23 the Council, establish criteria as to eligible expenditures for
24 which grants made under this section may be used, which
25 criteria shall be so designed as to prevent the use of such

1 grants for expenditures not necessary to the achievement of
2 the purposes of this part.

3 NATIONAL TEACHING FELLOWSHIPS

4 SEC. 305. (a) The Commissioner is authorized to award
5 fellowships under this section to highly qualified graduate
6 students and junior members of the faculty of colleges and
7 universities, to encourage such individuals to teach at de-
8 veloping institutions. The Commissioner shall award a fel-
9 lowship to an individual for teaching at a developing institu-
10 tion only upon application by an institution approved for this
11 purpose by the Commissioner and only upon a finding by the
12 Commissioner that the program of teaching set forth in the
13 application is reasonable in the light of the qualifications of
14 the teaching fellow and of the educational needs of the
15 applicant.

16 (b) Fellowships may be awarded under this section for
17 such period of teaching as the Commissioner may determine,
18 but such period shall not exceed two academic years or ex-
19 tend beyond June 30, 1970. Each person awarded a fel-
20 lowship under the provisions of this section shall receive a
21 stipend for each academic year of teaching of not more than
22 \$6,500 as determined by the Commissioner upon the advice
23 of the Council, plus an additional amount of \$400 for each
24 such year for each of his dependents.

1 TITLE IV—STUDENT ASSISTANCE

2 PART A—EDUCATIONAL OPPORTUNITY GRANTS

3 AUTHORIZATION OF APPROPRIATIONS

4 SEC. 401. (a) The first sentence of section 201 of the
5 National Defense Education Act of 1958 is amended (1) by
6 inserting after “low-interest loans” the following: “and (ex-
7 cept in the case of a school which does not meet the require-
8 ments of section 103 (b) (5)) initial year awards of educational
9 opportunity grants”, (2) by striking out “\$179,300,000”
10 and inserting in lieu thereof “\$253,300,000”, (3) by strik-
11 ing out “\$190,000,000” and inserting in lieu thereof “\$266,-
12 600,000”, and (4) by striking out “\$195,000,000” and
13 inserting in lieu thereof “\$280,000,000”.

14 (b) Such section is further amended by inserting after
15 the first sentence thereof the following new sentence: “There
16 are further authorized to be appropriated for the fiscal year
17 ending June 30, 1967, and each of the six succeeding fiscal
18 years, such sums as may be necessary to make contributions
19 to student loan funds equal to the amount necessary to enable
20 institutions of higher education to make educational oppor-
21 tunity grants provided for under section 206 to students for
22 academic years other than the initial year for which they are
23 awarded the grant.”

1

ALLOTMENTS

2

SEC. 402. Subsections (a) and (b) of section 202 of
3 such Act are each amended by inserting after "pursuant to"
4 the following: "the first sentence of".

5

FEDERAL CAPITAL CONTRIBUTIONS

6

SEC. 403. (a) The first and second sentences of section
7 203 of such Act are amended by inserting after "allotment of
8 such State" each time it appears the following: "under sec-
9 tion 202".

10

(b) Such section is further amended by designating the
11 first three sentences thereof as subsection (a), by desig-
12 nating the ~~third~~ *fourth* sentence thereof as subsection (c)
13 and by inserting after subsection (a) the following new
14 subsection:

15

"(b) From the sums appropriated pursuant to the au-
16 thorization contained in the second sentence of section 201
17 for a fiscal year, the Commissioner shall make a capital
18 contribution to each institution with which he has an agree-
19 ment under this title equal to the amount such institution
20 determines that it needs in order to make educational op-
21 portunity grants, as provided in this title, to students who
22 have received such a grant for one or more preceding aca-
23 demic years, except that, if the sums so appropriated are
24 less than the amount necessary to enable all such institutions
25 to receive the amount they determine they need for such
26 grants, the Commissioner shall reduce the amount of each

1 institution's capital contribution under this subsection pro
2 rata."

3 CONDITIONS OF AGREEMENTS

4 SEC. 404. (a) Clause (B) of paragraph (2) of section
5 204 of such Act is amended to read as follows: "(B) an
6 amount, contributed by such institution, equal to not less
7 than one-ninth of 75 per centum of the Federal capital con-
8 tributions made under section 203 (a),".

9 (b) Paragraph (3) of such section is amended by
10 inserting after "only for loans" the following: "and (except
11 in the case of a school which does not meet the requirements
12 of section 103 (b) (5)) educational opportunity grants".

13 (c) Section 204 is further amended by inserting "(a)"
14 after "SEC. 204." and by adding at the end thereof the fol-
15 lowing new subsection:

16 "(b) Where an institution uses funds under this title
17 for the awarding of educational opportunity grants such
18 agreement shall—

19 "(1) provide that educational opportunity grants
20 will be made only in accordance with section 206 to
21 students who are or will be pursuing their course of study
22 on a full-time basis,

23 "(2) provide that the institution, in cooperation
24 with other institutions of higher education where appro-
25 priate, will make vigorous efforts to identify qualified

1 youths of exceptional financial need and to encourage
2 them to continue their education beyond secondary school
3 through programs and activities such as—

4 “(A) establishing or strengthening close work-
5 ing relationships with secondary school principals
6 and guidance and counseling personnel with a view
7 toward motivating students to complete secondary
8 school and pursue post-secondary-school educational
9 opportunities, and

10 “(B) making, to the extent feasible, condi-
11 tional commitments for educational opportunity
12 grants to qualified secondary school students with
13 special emphasis on students enrolled in grade 11 or
14 lower grades who show evidences of academic or
15 creative promise;

16 “(3) provide assurance that the institution will
17 continue to spend in its own scholarship and student aid
18 program, from sources other than funds received under
19 this title, not less than the average expenditure per year
20 made for that purpose during the most recent period of
21 three fiscal years preceding the first fiscal year during
22 which grants are to be made under the agreement.”

23 EDUCATIONAL OPPORTUNITY GRANTS

24 SEC. 405. Title II of such Act is amended by redesignig-
25 nating sections 206, 207, 208, and 209 as sections 209, 210,

1 211, and 212, respectively, and by inserting after section
2 205 the following new sections:

3 “EDUCATIONAL OPPORTUNITY GRANTS

4 “SEC. 206. (a) Educational opportunity grants made
5 by institutions of higher education from student loan funds
6 established pursuant to an agreement under this title shall be
7 made only to students who the institution of higher education
8 determines (1) show evidence of academic or creative prom-
9 ise and capability of maintaining good standing in their
10 course of study, (2) are of exceptional financial need,
11 (3) are eligible for a loan from such fund, and (4) would
12 not, but for an educational opportunity grant, be financially
13 able to pursue a course of study at such institution of higher
14 education.

15 “(b) The duration of an educational opportunity grant
16 awarded under this title shall be the period required for
17 completion by the recipient of his undergraduate course of
18 study at the institution of higher education from which he
19 received the grant award, except that such period shall not
20 exceed four academic years, less any such period with re-
21 spect to which the recipient has previously received pay-
22 ments under this title pursuant to a prior educational oppor-
23 tunity grant (whether made by the same or another in-
24 stitution).

1 “(c) An institution of higher education which awards
2 an educational opportunity grant to a student under this title
3 shall, for the duration of the educational opportunity grant,
4 pay to that student for each academic year during which he
5 is in need of grant assistance to pursue a course of study at
6 the institution, an amount determined by the institution for
7 such student with respect to that year, which amount shall not
8 exceed the lesser of \$800 or one-half of the amount of student
9 financial aid (including assistance under this title, but exclud-
10 ing assistance from work-study programs) provided such
11 student by such institution as determined in accordance with
12 regulation of the Commissioner. If the amount of the pay-
13 ment determined under the preceding sentence for an aca-
14 demic year is less than \$200 for a student, no payment shall
15 be made under this title to that student for that year. The
16 Commissioner shall, subject to the foregoing limitations, pre-
17 scribe for the guidance of participating institutions basic
18 criteria or schedules (or both) for the determination of the
19 amount of any such educational opportunity grant, taking
20 into account the objective of limiting grant aid under this
21 title to students of exceptional financial need and such other
22 factors, including the number of dependents in the family,
23 as the Commissioner may deem relevant.

1 “LIMITATIONS ON GRANTS

2 “SEC. 207. The aggregate amount of educational oppor-
3 tunity grants made by an institution of higher education in
4 a fiscal year to undergraduate students who have not received
5 such a grant for any preceding fiscal year may not exceed
6 25 per centum of the Federal capital contribution made to
7 the student loan fund for that fiscal year from funds allotted
8 to such State under the first sentence of section 202 (a) or
9 reallotted to such State under the third sentence of section
10 203 (a).

11 “CONTRACTS TO ENCOURAGE FULL UTILIZATION OF EDU-
12 CATIONAL TALENT

13 “SEC. 208. (a) To assist in achieving the purposes of
14 this title the Commissioner is authorized (without regard to
15 section 3709 of the Revised Statutes (41 U.S.C. 5)), to
16 enter into contracts, not to exceed \$100,000 per contract per
17 year, with State and local educational agencies and other
18 public or nonprofit organizations and institutions for the
19 purpose of—

20 “ (1) identifying qualified youths of exceptional
21 financial need and encouraging them to complete second-
22 ary school and undertake postsecondary educational
23 training,

1 “(2) publicizing existing forms of student financial
2 aid, including aid furnished under this title, or

3 “(3) encouraging secondary school or college drop-
4 outs of demonstrated aptitude to reenter educational
5 programs, including postsecondary school programs.

6 “(b) There are hereby authorized to be appropriated
7 such sums as may be necessary to carry out this section.”

8 DISTRIBUTIONS FROM STUDENT LOAN FUNDS

9 SEC. 406. Section 209 of such Act (as redesignated by
10 section 405 of this Act) is amended by adding at the end
11 thereof the following new subsection:

12 “(d) In computing the amount of the Federal capital
13 contribution to a student loan fund for the purposes of this
14 section there shall be deducted from the Federal capital con-
15 tributions made to such fund under section 203 an amount
16 equal to the total of educational opportunity grants made
17 from such fund.”

18 AMENDMENTS TO DEFINITIONS

19 SEC. 407. (a) Section 103 (b) ~~(5)~~ of such Act is
20 amended to read as follows:

21 “(b) The term ‘institution of higher education’ means
22 an educational institution in any State which (1) admits as
23 regular students only persons having a certificate of gradua-

tion from a school providing secondary education, or the recognized equivalent of such certificate, (2) is legally authorized within such State to provide a program of education beyond secondary education, (3) provides an educational program for which it awards a bachelor's degree or provides not less than a two-year program which is acceptable for full credit toward such a degree, (4) is a public or other nonprofit institution, and (5) is accredited by a nationally recognized accrediting agency or association approved by the Commissioner for this purpose or, if not so accredited, (A) is an institution with respect to which the Commissioner has determined that there is satisfactory assurance, considering the resources available to the institution, the period of time, if any, during which it has operated, the effort it is making to meet accreditation standards, and the purpose for which this determination is being made, that the institution will meet the accreditation standards of such an agency or association within a reasonable time, or (B) is an institution whose credits are accepted on transfer by not less than three institutions which are so accredited, for credit on the same basis as if transferred from an institution so accredited. For purposes of title II, such term includes any

1 school of nursing as defined in subsection (1) of this section,
2 and also includes any school which provides not less than a
3 one-year program of training to prepare students for gainful
4 employment in a recognized occupation and which meets
5 the provisions of clauses (1), (2), (4), and (5). If the
6 Comissioner determines that a particular category of such
7 schools does not meet the requirements of clause (5) because
8 there is no nationally recognized accrediting agency or asso-
9 ciation qualified to accredit schools in such category, he shall,
10 pending the establishment of such an accrediting agency or
11 association, appoint an advisory committee, composed of per-
12 sons specially qualified to evaluate training provided by
13 schools in such category, which shall (i) prescribe the stand-
14 ards of content, scope, and quality which must be met in
15 order to qualify schools in such category to participate in the
16 student loan program under title II, and (ii) determine
17 whether particular schools not meeting the requirements of
18 clause (5) meet those standards. For purposes of this sub-
19 section, the Commission shall publish a list of nationally
20 recognized accrediting agencies which he determines to be
21 reliable authority as to the quality of training offered."

1 PART B—FEDERAL, STATE, AND PRIVATE PROGRAMS OF
2 LOW-INTEREST INSURED LOANS TO STUDENTS IN IN-
3 STITUTIONS OF HIGHER EDUCATION

4 STATEMENT OF PURPOSE AND APPROPRIATIONS

5 AUTHORIZED

6 SEC. 421. (a) The purpose of this part is to enable
7 the Commissioner (1) to encourage States and nonprofit
8 private institutions and organizations to establish adequate
9 loan insurance programs for students in eligible institutions
10 (as defined in section 434), (2) to insure eligible lenders
11 (as defined in section 434), on behalf of the United States,
12 against losses on loans made by them to students in eligible
13 institutions who do not have reasonable access to adequate
14 loan insurance programs, and (3) to pay a portion of the
15 interest on loans to qualified students which are insured under
16 this part or under a program of a State or of a nonprofit
17 private institution or organization which has an agreement
18 with the Commissioner pursuant to section 428 (b).

19 (b) For the purpose of carrying out this part—

20 (1) there are authorized to be appropriated to the
21 student loan insurance fund (established by section 431)

1 (A) the sum of \$1,000,000, and (B) such further sums,
 2 if any, as may become necessary for the adequacy of the
 3 student loan insurance fund,

4 (2) there are authorized to be appropriated, for
 5 payments under section 428 with respect to interest on
 6 insured loans, such sums for the fiscal year ending June
 7 30, 1966, and succeeding fiscal years, as may be required
 8 therefor, and

9 (3) there are authorized to be appropriated the
 10 sum of \$17,500,000 for making advances pursuant to
 11 section 422 for the reserve funds of State student loan
 12 insurance programs.

13 Sums appropriated under clauses (1) and (2) of this sub-
 14 section shall remain available until expended, and sums ap-
 15 propriated under clause (3) of this subsection shall remain
 16 available for advances under section 422 until the close of
 17 the fiscal year ending June 30, 1968.

18 ADVANCES FOR RESERVE FUNDS OF STATE LOAN INSURANCE
 19 PROGRAMS

20 SEC. 422. (a) From the sums appropriated pursuant
 21 to clause (3) of section 421(b), the Commissioner is
 22 authorized to make advances to any State with which he
 23 has made an agreement pursuant to section 428(b) for the
 24 purpose of helping to establish or strengthen the reserve fund
 25 of the student loan insurance program covered by that agree-

1 ment. Advances pursuant to this subsection shall be upon
2 such terms and conditions (including conditions relating to
3 the time or times of payment) consistent with the require-
4 ments of section 428 (b) as the Commissioner determines
5 will best carry out the purposes of this section. Advances
6 made by the Commissioner under this subsection shall be
7 repaid within such period as the Commissioner may deem to
8 be appropriate in each case in the light of the maturity and
9 solvency of the reserve fund for which the advance was
10 made.

11 (b) The total of the advances to any State pursuant to
12 subsection (a) may not exceed an amount which bears the
13 same ratio to $2\frac{1}{2}$ per centum of \$700,000,000 as the
14 population of that State aged eighteen to twenty-two,
15 inclusive, bears to the total population of all the States aged
16 eighteen to twenty-two, inclusive. If the amount so deter-
17 mined for any State, however, is less than \$25,000, it shall
18 be increased to \$25,000 and the total of the increases thereby
19 required shall be derived by proportionately reducing (but
20 not below \$25,000) the amount so determined for each of the
21 remaining States. The amount of an advance to any State
22 pursuant to subsection (a) may also not exceed the amount
23 which has been contributed by the State to the reserve
24 fund of the student loan insurance fund covered by the

1 agreement of that State under section 428 (b). For the
2 purposes of this subsection, the population aged eighteen to
3 twenty-two, inclusive, of each State and of all the States
4 shall be determined by the Commissioner on the basis of
5 the most recent satisfactory data available to him.

6 EFFECT OF ADEQUATE NON-FEDERAL PROGRAMS

7 SEC. 423. If the Commissioner determines in accordance
8 with regulations that one or more classes of students do not
9 have reasonable access to a State or a private program of
10 loan insurance which meets such minimum standards as
11 the Commissioner may prescribe, he may, for so long as
12 he determines this condition to continue, issue certificates of
13 insurance to lenders under section 429 covering loans to
14 such class or classes of students.

15 SCOPE AND DURATION OF LOAN INSURANCE PROGRAM

16 SEC. 424. (a) The total principal amount of new loans
17 made and installments paid pursuant to lines of credit (as
18 defined in section 434) to students covered by insurance
19 under this part shall not exceed \$700,000,000 in the fiscal
20 year ending June 30, 1966, \$1,000,000,000 in the fiscal
21 year ending June 30, 1967, and \$1,400,000,000 in the fiscal
22 year ending June 30, 1968. Thereafter, insurance pur-
23 suant to this part may be granted only for loans made (or
24 for loan installments paid pursuant to lines of credit) to
25 enable students, who have obtained prior loans insured

1 under this part, to continue or complete their educational
2 program; but no insurance may be granted for any loan
3 made or installment paid after June 30, 1972.

4 (b) The Commissioner may, if he finds it necessary to
5 do so in order to assure an equitable distribution of the bene-
6 fits of this part, assign, within the maximum amounts speci-
7 fied in subsection (a), insurance quotas applicable to
8 eligible lenders, or to States or areas, and may from time
9 to time reassign unused portions of these quotas.

10 LIMITATIONS ON INDIVIDUAL LOANS AND ON INSURANCE

11 SEC. 425. (a) The total of the loans made to a student
12 in any academic year or its equivalent (as determined under
13 regulations of the Commissioner) which may be covered
14 by insurance under this part may not exceed \$2,000 in the
15 case of a graduate or professional student (as defined in
16 regulations of the Commissioner), or \$1,000 in the case of
17 any other student. The aggregate insured unpaid principal
18 amount of all such insured loans made to any student shall
19 not at any time exceed \$7,500 in the case of any graduate
20 or professional student (as defined in regulations of the
21 Commissioner, and including any such insured loans made
22 to such person before he became a graduate or professional
23 student), or \$5,000 in the case of any other student. The
24 annual insurable limit per student shall not be deemed to be
25 exceeded by a line of credit under which actual payments

1 by the lender to the borrower will not be made in any year
2 in excess of the annual limit.

3 (b) The insurance liability on any loan insured under
4 this part shall be 100 per centum of the unpaid balance
5 of the principal amount of the loan. Such insurance liability
6 shall not include liability for interest whether or not that
7 interest has been added to the principal amount of the loan.

8 SOURCES OF FUNDS

9 SEC. 426. Loans made by eligible lenders in accord-
10 ance with this part shall be insurable whether made from
11 funds fully owned by the lender or from funds held by the
12 lender in a trust or similar capacity and available for such
13 loans.

14 ELIGIBILITY OF STUDENT BORROWERS AND TERMS OF
15 STUDENT LOANS

16 SEC. 427. (a) A loan by an eligible lender shall be
17 insurable under the provisions of this part only if—

18 (1) made to a student who (A) has been accepted
19 for enrollment at an eligible institution or, in the case
20 of a student already attending such institution, is in good
21 standing there as determined by the institution, and
22 (B) is carrying at least one-half of the normal full-time
23 workload as determined by the institution, and (C) has
24 provided the lender with a statement of the institution
25 which sets forth a schedule of the tuition and fees appli-

1 cable to that student and its estimate of the cost of board
2 and room for such a student; and

3 (2) evidenced by a note or other written agreement
4 which—

5 (A) is made without security and without en-
6 dorsement, except that if the borrower is a minor
7 and such note or other written agreement executed
8 by him would not, under the applicable law, create
9 a binding obligation, endorsement may be required,

10 (B) provides for repayment (except as pro-
11 vided in subsection (c)) of the principal amount of
12 the loan in installments over a period of not less
13 than five years (unless sooner repaid) nor more
14 than ten years beginning not earlier than six months
15 nor later than one year after the date on which the
16 student ceases to carry at an eligible institution at
17 least one-half the normal full-time academic work-
18 load as determined by the institution, except that
19 (i) the period of the loan may not exceed fifteen
20 years from the execution of the note or written
21 agreement evidencing it and (ii) the note or other
22 written instrument may contain such provisions re-
23 lating to repayment in the event of default in the
24 payment of interest or in the payment of the cost

1 of insurance premiums, or other default by the
2 borrower, as may be authorized by regulations of
3 the Commissioner in effect at the time the loan is
4 made,

5 (C) provides for interest on the unpaid princi-
6 pal balance of the loan at a yearly rate, not exceed-
7 ing the applicable maximum rate prescribed and
8 defined by the Secretary (within the limits set forth
9 in subsection (b)) on a national, regional, or other
10 appropriate basis, which interest shall be payable in
11 installments over the period of the loan except that,
12 if provided in the note or other written agreement,
13 any interest payable by the student may be deferred
14 until not later than the date upon which repayment
15 of the first installment of principal falls due, in which
16 case interest that has so accrued during that period
17 may be added on that date to the principal (but
18 without thereby increasing the insurance liability
19 under this part),

20 (D) provides that the lender will not collect or
21 attempt to collect from the borrower any portion of
22 the interest on the note which is payable by the
23 Commissioner under this part,

24 (E) entitles the student borrower to accelerate

1 without penalty repayment of the whole or any
2 part of the loan, and

3 (F) contains such other terms and conditions,
4 consistent with the provisions of this part and with
5 the regulations issued by the Commissioner pur-
6 suant to this part, as may be agreed upon by the
7 parties to such loan, including, if agreed upon, a pro-
8 vision requiring the borrower to pay to the lender, in
9 addition to principal and interest, amounts equal to
10 the insurance premiums payable by the lender to
11 the Commissioner with respect to such loan.

12 (b) No maximum rate of interest prescribed and de-
13 fined by the Secretary for the purposes of clause (2) (C)
14 of subsection (a) may exceed 6 per centum per annum on
15 the unpaid principal balance of the loan, except that under
16 circumstances which threaten to impede the carrying out of
17 the purposes of this part, one or more of such maximum
18 rates of interest may be as high as 7 per centum per annum
19 on the unpaid principal balance of the loan.

20 (c) The total of the payments by a borrower during
21 any year of any repayment period with respect to the aggre-
22 gate amount of all loans to that borrower which are insured
23 under this part shall not be less than \$360 or the balance

1 of all of such loans (together with interest thereon), which-
2 ever amount is less.

3 FEDERAL PAYMENTS TO REDUCE STUDENT INTEREST COSTS

4 SEC. 428. (a) (1) Each student who has received a
5 loan which is insured under this part or a loan, for study at
6 an eligible institution, which—

7 (A) is insured under a State program, or under a
8 program of a nonprofit institution or organization, cov-
9 ered by an agreement made pursuant to subsection (b),
10 and

11 (B) was contracted for after the effective date of
12 that agreement and was paid to the student either (i)
13 prior to July 1, 1970, or (ii) prior to July 1, 1974, in
14 the case of a loan made (or a loan installment paid pur-
15 suant to a line of credit) to enable a student who has ob-
16 tained a prior loan insured under such program to con-
17 tinue or complete his educational program,

18 and whose adjusted family income is less than \$15,000 at the
19 time of execution of the note or written agreement evidencing
20 such loan, shall be entitled to have paid on his behalf and for
21 his account to the holder of the loan, over the period of the
22 loan, a portion of the interest on the loan. For the purposes
23 of this paragraph, the adjusted family income of a student
24 shall be determined pursuant to regulations of the Commis-
25 sioner in effect at the time of the execution of the note or

1 written agreement evidencing the loan. Such regulations
2 shall provide for taking into account such factors, including
3 family size, as the Commissioner deems appropriate.

4 (2) The portion of the interest on a loan which a stu-
5 dent is entitled to have paid on his behalf and for his account
6 to the holder of the loan pursuant to paragraph (1) shall be
7 equal to the total amount of the interest on the unpaid prin-
8 cipal amount of the loan which accrues prior to the beginning
9 of the repayment period of the loan, and 3 per centum per
10 annum of the unpaid principal amount of the loan (excluding
11 interest which has been added to principal) thereafter; but
12 such portion of the interest on a loan shall not exceed, for any
13 period, the amount of the interest on that loan which is pay-
14 able by the student after taking into consideration the
15 amount of any interest on that loan which the student is
16 entitled to have paid on his behalf for that period under any
17 State or private loan insurance program. In the absence of
18 fraud by the lender, that determination shall be final so far
19 as the obligation of the Commissioner to pay a portion of the
20 interest on a loan is concerned. The holder of an insured
21 loan shall be deemed to have a contractual right, as against
22 the United States, to receive from the Commissioner the por-
23 tion of interest which has been so determined. The Commis-
24 sioner shall pay this portion of the interest to the holder of
25 the insured loan on behalf of and for the account of the bor-

1 power at such times as may be specified in regulations in
2 force when the applicable agreement entered into pursuant to
3 subsection (b) was made, or when a loan insured under this
4 part was paid to the student, as the case may be.

5 (3) Each holder of a loan with respect to which pay-
6 ments of interest are required to be made by the Commis-
7 sioner shall submit to the Commissioner, at such time or
8 times and in such manner as he may prescribe, statements
9 containing such information as may be required by or pur-
10 suant to regulation for the purpose of enabling the Com-
11 missioner to determine the amount of the payment which he
12 must make with respect to that loan.

13 (b) (1) Any State or any nonprofit private institution
14 or organization may enter into an agreement with the Com-
15 missioner for the purpose of entitling students who receive
16 loans which are insured under a student loan insurance pro-
17 gram of that State, institution, or organization to have
18 made on their behalf payments equal to those provided for
19 in subsection (a) if the Commissioner determines that the
20 student loan insurance program—

21 (A) authorizes the insurance of not less than
22 \$1,000 nor more than \$1,500 in loans to any individual
23 student in any academic year or its equivalent (as de-
24 termined under regulations of the Commissioner) ;

25 (B) authorizes the insurance of loans to any in-

1 dividual student for at least six academic years of study
2 or their equivalent (as determined under regulations
3 of the Commissioner) ;

4 (C) provides that (i) the student borrower shall
5 be entitled to accelerate without penalty the whole or
6 any part of an insured loan, (ii) the period of any
7 insured loan may not exceed fifteen years from the date
8 of execution of the note or other written evidence of the
9 loan, and (iii) the note or other written evidence of
10 any loan may contain such provisions relating to repay-
11 ment in the event of default by the borrower as may be
12 authorized by regulations of the Commissioner in effect
13 at the time such note or written evidence was executed;

14 (D) subject to subparagraph (C), provides that,
15 where the total of the insured loans to any student which
16 are held by any one person exceeds \$2,000, repayment
17 of such loans shall be in installments over a period of not
18 less than five years nor more than ten years beginning
19 not earlier than six months nor later than one year after
20 the student ceases to pursue a full-time course of study at
21 an eligible institution, except that if the program pro-
22 vides for the insurance of loans for part-time study at
23 eligible institutions the program shall provide that such
24 repayment period shall begin not earlier than six months
25 nor later than one year after the student ceases to carry

1 at an eligible institution at least one-half the normal full-
2 time academic workload as determined by the institution ;

3 (E) authorizes interest on the unpaid balance of
4 the loan at a yearly rate not in excess of 6 per centum
5 per annum on the unpaid principal balance of the loan
6 (exclusive of any premium for insurance which may be
7 passed on to the borrower) ;

8 (F) insures not less than 90 per centum of the
9 unpaid principal of loans insured under the program ;

10 (G) provides for collection from the holder of
11 the loan of a reasonable insurance premium ;

12 (H) provides that the benefits of the loan in-
13 surance program will not be denied any student because
14 of his family income or lack of need if his adjusted
15 family income at the time the note or written agreement
16 is executed is less than \$15,000 (as determined pursuant
17 to the regulations of the Commissioner prescribed under
18 section 428 (a) (1)) ; and

19 (I) provides that a student may obtain insurance
20 under the program for a loan for any year of study at
21 an eligible institution.

22 (2) Such an agreement shall—

23 (A) provide that the holder of any such loan will
24 be required to submit to the Commissioner, at such time
25 or times and in such manner as he may prescribe, state-

ments containing such information as may be required by or pursuant to regulation for the purpose of enabling the Commissioner to determine the amount of the payment which he must make with respect to that loan;

(B) include such other provisions as may be necessary to protect the financial interest of the United States and promote the purposes of this part and as are agreed to by the Commissioner and the State; and

(C) provide for making such reports in such form and containing such information as the Commissioner may reasonably require to carry out his function under this part and for keeping such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports.

CERTIFICATES OF INSURANCE—EFFECTIVE DATE OF
INSURANCE

SEC. 429. (a) (1) If, upon application by an eligible lender, made upon such form, containing such information, and supported by such evidence as the Commissioner may require, and otherwise in conformity with this section, the Commissioner finds that the applicant has made a loan to an eligible student which is insurable under the provisions of this part, he may issue to the applicant a certificate of in-

1 insurance covering the loan and setting forth the amount and
2 terms of the insurance.

3 (2) Insurance evidenced by a certificate of insurance
4 pursuant to subsection (a) (1) shall become effective upon
5 the date of issuance of the certificate, except that the Com-
6 missioner is authorized, in accordance with regulations, to
7 issue commitments with respect to proposed loans, or with
8 respect to lines (or proposed lines) of credit, submitted by
9 eligible lenders, and in that event, upon compliance with
10 subsection (a) (1) by the lender, the certificate of insurance
11 may be issued effective as of the date when any loan, or any
12 payment by the lender pursuant to a line of credit, to be
13 covered by such insurance was made. Such insurance shall
14 cease to be effective upon thirty days' default by the lender
15 in the payment of any installment of the premiums payable
16 pursuant to subsection (c).

17 (3) An application submitted pursuant to subsection
18 (a) (1) shall contain (A) an agreement by the applicant
19 to pay, in accordance with regulations, the premiums fixed by
20 the Commissioner pursuant to subsection (c), and (B) an
21 agreement by the applicant that if the loan is covered by
22 insurance the applicant will submit such supplementary re-
23 ports and statements during the effective period of the loan
24 agreement, upon such forms, at such times, and containing

1 such information as the Commissioner may prescribe by or
2 pursuant to regulation.

3 (b) (1) In lieu of requiring a separate insurance appli-
4 cation and issuing a separate certificate of insurance for
5 each student loan made by an eligible lender as provided in
6 subsection (a), the Commissioner may, in accordance with
7 regulations consistent with section 424, issue to any eligible
8 lender applying therefor a certificate of comprehensive in-
9 surance coverage which shall, without further action by
10 the Commissioner, insure all insurable loans made by that
11 lender, on or after the date of the certificate and before a
12 specified cutoff date, within the limits of an aggregate maxi-
13 mum amount stated in the certificate. Such regulations
14 may provide for conditioning such insurance, with respect
15 to any loan, upon compliance by the lender with such re-
16 quirements (to be stated or incorporated by reference in the
17 certificate) as in the Commissioner's judgment will best
18 achieve the purpose of this subsection while protecting the
19 financial interest of the United States and promoting the
20 objectives of this part, including (but not limited to) pro-
21 visions as to the reporting of such loans and information
22 relevant thereto to the Commissioner and as to the payment
23 of initial and other premiums and the effect of default there-
24 in, and including provision for confirmation by the Com-

1 missioner from time to time (through endorsement of the
2 certificate) of the coverage of specific new loans by such
3 certificate, which confirmation shall be incontestable by the
4 Commissioner in the absence of fraud or misrepresentation
5 of fact or patent error.

6 (2) If the holder of a certificate of comprehensive in-
7 surance issued under this subsection grants to a student a
8 line of credit extending beyond the cutoff date specified in
9 that certificate, loans or payments thereon made by the
10 holder after that date pursuant to the line of credit shall
11 not be deemed to be included in the coverage of that
12 certificate except as may be specifically provided therein;
13 but, subject to the limitations of section 424, the Com-
14 missioner may, in accordance with regulations, make com-
15 mitments to insure such future loans or payments, and
16 such commitments may be honored either as provided in
17 subsection (a) or by inclusion of such insurance in com-
18 prehensive coverage under this subsection for the period
19 or periods in which such future loans or payments are
20 made.

21 (c) The Commissioner shall, pursuant to regulations,
22 charge for insurance on each loan under this part a pre-
23 mium in an amount not to exceed one-fourth of 1 per
24 centum per year of the unpaid principal amount of such
25 loan (excluding interest added to principal), payable in

1 advance, at such time and in such manner as may be pre-
2 scribed by the Commissioner. Such regulations may provide
3 that such premium shall not be payable, or if paid shall
4 be refundable, with respect to any period after default in
5 the payment of principal or interest or after the borrower
6 has died or becomes totally and permanently disabled, if
7 (1) notice of such default or other event has been duly
8 given, and (2) request for payment of the loss insured
9 against has been made or the Commissioner has made such
10 payment on his own motion pursuant to section 430(a).

11 (d) The rights of an eligible lender arising under
12 insurance evidenced by a certificate of insurance issued to
13 it under this section may be assigned as security by such
14 lender only to another eligible lender, and subject to regula-
15 tion by the Commissioner.

16 (e) The consolidation of the obligations of two or more
17 insured loans obtained by a student borrower in any fiscal
18 year into a single obligation evidenced by a single instru-
19 ment of indebtedness shall not affect the insurance by the
20 United States. If the loans thus consolidated are covered
21 by separate certificates of insurance issued under subsection
22 (a), the Commissioner may upon surrender of the original
23 certificates issue a new certificate of insurance in accordance
24 with that subsection upon the consolidated obligation; if
25 they are covered by a single comprehensive certificate

1 issued under subsection (b), the Commissioner may amend
2 that certificate accordingly.

3 PROCEDURE ON DEFAULT, DEATH, OR DISABILITY OF
4 STUDENT

5 SEC. 430. (a) Upon default by the student borrower
6 on any loan covered by insurance pursuant to this title, or
7 upon the death of the student borrower or a finding by
8 the insurance beneficiary that the borrower has become
9 totally and permanently disabled (as determined in accord-
10 ance with regulations established by the Commissioner)
11 before the loan has been repaid in full, and prior to the
12 commencement of suit or other enforcement proceeding
13 upon security for that loan, the insurance beneficiary shall
14 promptly notify the Commissioner, and the Commissioner
15 shall if requested (at that time or after further collection
16 efforts) by the beneficiary, or may on his own motion, if the
17 insurance is still in effect, pay to the beneficiary the amount
18 of the loss sustained by the insured upon that loan as soon
19 as that amount has been determined. The "amount of the
20 loss" on any loan shall, for the purposes of this subsection
21 and subsection (b), be deemed to be an amount equal to
22 the unpaid balance of the principal amount of the loan.

23 (b) Upon payment by the Commissioner of the insured
24 portion of the loss pursuant to subsection (a), the United
25 States shall be subrogated to all of the rights of the holder of

1 the obligation upon the insured loan and shall be entitled to
2 an assignment of the note or other evidence of the insured
3 loan by the insurance beneficiary. If the net recovery made
4 by the Commissioner on a loan after deduction of the cost of
5 that recovery (including reasonable administrative costs)
6 exceeds the amount of the loss, the excess shall be paid over
7 to the insured.

8 (c) Nothing in this section or in this part shall be con-
9 strued to preclude any forbearance for the benefit of the stu-
10 dent borrower which may be agreed upon by the parties to
11 the insured loan and approved by the Commissioner, or to
12 preclude forbearance by the Commissioner in the enforce-
13 ment of the insured obligation after payment on that insur-
14 ance, or to require collection of the amount of any loan by
15 the insurance beneficiary or by the Commissioner from the
16 estate of a deceased borrower or from a borrower found by
17 the insurance beneficiary to have become permanently and
18 totally disabled.

19 (d) Nothing in this section or in this part shall be con-
20 strued to excuse the holder of a loan from exercising reason-
21 able care and diligence in the making and collection of loans
22 under the provisions of this part. If the Commissioner, after
23 reasonable notice and opportunity for hearing to an eligible
24 lender, finds that it has substantially failed to exercise such
25 care and diligence or to make the reports and statements re-

1 quired under section 428 (a) (3) and section 429 (a) (3),
 2 or to pay the required insurance premiums, he shall dis-
 3 qualify that lender for further insurance on loans granted
 4 pursuant to this part until he is satisfied that its failure has
 5 ceased and finds that there is reasonable assurance that the
 6 lender will in the future exercise necessary care and diligence
 7 or comply with such requirements, as the case may be.

8 (e) As used in this section—

9 (1) the term “insurance beneficiary” means the
 10 insured or its authorized assignee in accordance with
 11 section 429 (d) ; and

12 (2) the term “default” includes only such defaults
 13 as have existed for (A) one hundred and twenty days
 14 in the case of a loan which is repayable in monthly in-
 15 stallments, or (B) one hundred and eighty days in the
 16 case of a loan which is repayable in less frequent
 17 installments.

18 INSURANCE FUND

19 SEC. 431. (a) There is hereby established a student
 20 loan insurance fund (hereinafter in this section called the
 21 “fund”) which shall be available without fiscal year limita-
 22 tion to the Commissioner for making payments in connection
 23 with the default of loans insured under this part. All
 24 amounts received by the Commissioner as premium charges
 25 for insurance and as receipts, earnings, or proceeds derived

1 from any claim or other assets acquired by the Commis-
2 sioner in connection with his operations under this part,
3 and any other moneys, property, or assets derived by the
4 Commissioner from his operations in connection with this
5 section, shall be deposited in the fund. All payments in
6 connection with the default of loans insured under this part
7 shall be paid from the fund. Moneys in the fund not needed
8 for current operations under this section may be invested
9 in bonds or other obligations guaranteed as to principal and
10 interest by the United States.

11 (b) If at any time the moneys in the fund are insuffi-
12 cient to make payments in connection with the default of any
13 loan insured under this part, the Commissioner is authorized
14 to issue to the Secretary of the Treasury notes or other ob-
15 ligations in such forms and denominations, bearing such ma-
16 turities, and subject to such terms and conditions as may be
17 prescribed by the Commissioner with the approval of the
18 Secretary of the Treasury. Such notes or other obligations
19 shall bear interest at a rate determined by the Secretary of
20 the Treasury, taking into consideration the current average
21 market yield on outstanding marketable obligations of the
22 United States of comparable maturities during the month
23 preceding the issuance of the notes or other obligations.
24 The Secretary of the Treasury is authorized and directed to
25 purchase any notes and other obligations issued hereunder

1 and for that purpose he is authorized to use as a public debt
2 transaction the proceeds from the sale of any securities issued
3 under the Second Liberty Bond Act, as amended, and the
4 purposes for which securities may be issued under that Act,
5 as amended, are extended to include any purchases of such
6 notes and obligations. The Secretary of the Treasury may
7 at any time sell any of the notes or other obligations ac-
8 quired by him under this subsection. All redemptions, pur-
9 chases, and sales by the Secretary of the Treasury of such
10 notes or other obligations shall be treated as public debt
11 transactions of the United States. Sums borrowed under
12 this subsection shall be deposited in the fund and redemption
13 of such notes and obligations shall be made by the Commis-
14 sioner from such fund.

15 LEGAL POWERS AND RESPONSIBILITIES

16 SEC. 432. (a) In the performance of, and with respect
17 to, the functions, powers, and duties vested in him by this
18 part, the Commissioner may—

19 (1) prescribe such regulations as may be necessary
20 to carry out the purposes of this part;

21 (2) sue and be sued in any court of record of a
22 State having general jurisdiction or in any district court
23 of the United States, and such district courts shall have
24 jurisdiction of civil actions arising under this part with-
25 out regard to the amount in controversy, and any action

1 instituted under this subsection by or against the Com-
2 missioner shall survive notwithstanding any change in
3 the person occupying the office of Commissioner or any
4 vacancy in that office; but no attachment, injunction,
5 garnishment, or other similar process, mesne or final,
6 shall be issued against the Commissioner or property
7 under his control, and nothing herein shall be construed
8 to except litigation arising out of activities under this
9 part from the application of sections 507 (b) and 2679
10 of title 28 of the United States Code and of section 367
11 of the Revised Statutes (5 U.S.C. 316) ;

12 (3) include in any contract for insurance such
13 terms, conditions, and covenants relating to repayment
14 of principal and payment of interest, relating to his ob-
15 ligations and rights and to those of eligible lenders, and
16 borrowers in case of default, and relating to such other
17 matters as the Commissioner determines to be necessary
18 to assure that the purposes of this part will be achieved;
19 and any term, condition, and covenant made pursuant
20 to this clause or any other provisions of this part may
21 be modified by the Commissioner if he determines that
22 modification is necessary to protect the financial interest
23 of the United States;

24 (4) subject to the specific limitations in this part,
25 consent to the modification, with respect to rate of inter-

1 est, time of payment of any installment of principal and
2 interest or any portion thereof, or any other provision
3 of any note or other instrument evidencing a loan which
4 has been insured under this part;

5 (5) enforce, pay, or compromise, any claim on, or
6 arising because of, any such insurance; and

7 (6) enforce, pay, compromise, waive, or release
8 any right, title, claim, lien, or demand, however ac-
9 quired, including any equity or any right or redemption.

10 (b) The Commissioner shall, with respect to the finan-
11 cial operations arising by reason of this part—

12 (1) prepare annually and submit a budget program
13 as provided for wholly owned Government corporations
14 by the Government Corporation Control Act; and

15 (2) maintain with respect to insurance under this
16 part an integral set of accounts, which shall be audited
17 annually by the General Accounting Office in accordance
18 with principles and procedures applicable to commercial
19 corporate transactions, as provided by section 105 of the
20 Government Corporation Control Act, except that the
21 transactions of the Commissioner, including the settle-
22 ment of insurance claims and of claims for payments pur-
23 suant to section 428, and transactions related thereto and
24 vouchers approved by the Commissioner in connection

1 with such transactions, shall be final and conclusive upon
2 all accounting and other officers of the Government.

3 PARTICIPATION BY FEDERAL CREDIT UNIONS IN FEDERAL,
4 STATE, AND PRIVATE STUDENT LOAN INSURANCE
5 PROGRAMS

6 SEC. 433. Notwithstanding any other provision of law,
7 Federal credit unions shall, pursuant to regulations of the
8 Director of the Bureau of Federal Credit Unions, have power
9 to make insured loans up to 10 per centum of their assets, to
10 student members in accordance with the provisions of this
11 part or in accordance with the provisions of any State or
12 nonprofit private student loan insurance program with re-
13 spect to which there is in effect an agreement with the Com-
14 missioner under section 428 (b).

15 DEFINITIONS FOR REDUCED-INTEREST STUDENT LOAN
16 INSURANCE PROGRAM

17 SEC. 434. As used in this part:

18 (a) The term "eligible institution" means an institution
19 described in the first sentence of section 701 (a).

20 (b) The term "eligible lender" means an eligible insti-
21 tution, or a financial or credit institution (including an in-
22 surance company) which is subject to examination and su-
23 pervision by an agency of the United States or of any State.

24 (c) The term "line of credit" means an arrangement

1 or agreement between the lender and the borrower whereby
 2 a loan is paid out by the lender to the borrower in annual
 3 installments, or whereby the lender agrees to make, in addi-
 4 tion to the initial loan, additional loans in subsequent years.

5 PART C—COLLEGE WORK-STUDY PROGRAM EXTENSION

6 AND AMENDMENTS

7 TRANSFER OF AUTHORITY, AND OTHER AMENDMENTS

8 SEC. 441. Effective July 1, 1965, part C of title I of
 9 the Economic Opportunity Act of 1964 (Public Law 88-
 10 452) is amended as follows:

11 (1) By striking out “Director” in the first sentence
 12 of section 122 (a) and inserting in lieu thereof “Com-
 13 missioner of Education (hereinafter in this part referred
 14 to as the ‘Commissioner’)”, and by striking out “Direc-
 15 tor” wherever that word appears in the other provisions
 16 of such part C and inserting in lieu thereof “Commis-
 17 sioner”;

18 (2) By amending that part of section 121 that fol-
 19 lows the section designation to read as follows: “The
 20 purpose of this part is to stimulate and promote the part-
 21 time employment of students, particularly students from
 22 low-income families, in institutions of higher education
 23 who are in need of the earnings from such employment
 24 to pursue courses of study at such institutions.”;

25 (3) By redesignating clauses (2), (3), and (4),

of paragraph (c) of section 124 as clauses (1), (2), and (3), and by striking out so much of such paragraph as precedes such redesignated clauses and inserting in lieu thereof the following: “(c) provide that in the selection of students for employment under such work-study program preference shall be given to students from low-income families and that employment under such work-study program shall be furnished only to a student who”;

(4) By striking out “June 30, 1966,” in paragraph (f) of section 124 and inserting in lieu thereof “June 30, 1967,”; and

(5) By striking out “(as defined by section 401 (f) of the Higher Education Facilities Act of 1963 (Public Law 88-204)” in section 123 and inserting in lieu thereof “(as defined by section 103 (b) of the National Defense Education Act of 1958 for purposes of title II of that Act)”.

APPROPRIATIONS AUTHORIZED

SEC. 442. There are authorized to be appropriated \$129,000,000 for the fiscal year ending June 30, 1966, and such sums as may be necessary for each of the four succeeding years, to carry out the purposes of part C of title I of the Economic Opportunity Act of 1964 (Public Law 88-

1 452). Any sums which, prior to the enactment of this Act,
2 were appropriated for carrying out such part C of that title
3 for the fiscal year ending June 30, 1966, or were allocated
4 from an applicable appropriation for that purpose, and which
5 have not been expended prior to the date of the enactment of
6 this Act, shall be available to the Commissioner for carrying
7 out such part C.

8 CONFORMING AMENDMENT

9 SEC. 443. Part D of title I of the Economic Oppor-
10 tunity Act of 1964 (Public Law 88-452) is amended to
11 read as follows:

12 "PART D—AUTHORIZATION OF APPROPRIATIONS

13 "SEC. 131. The Director shall carry out the programs
14 provided for in parts A and B of this title during the fiscal
15 year ending June 30, 1965, and each of the two succeeding
16 fiscal years, and he shall carry out the program provided for
17 in part C of this title during the fiscal year ending June 30,
18 1965. For this purpose there is hereby authorized to be
19 appropriated the sum of \$412,500,000 for the fiscal year
20 ending June 30, 1965; and for the fiscal year ending June
21 30, 1966, and the fiscal year ending June 30, 1967, such
22 sums may be appropriated as the Congress may hereafter
23 authorize by law."

1 TITLE V—AMENDMENTS TO HIGHER EDUCATION

2 FACILITIES ACT OF 1963

3 AUTHORIZATION FOR CONSTRUCTION OF UNDERGRADUATE

4 FACILITIES

5 SEC. 501. The first sentence of section 101 (b) of the
6 Higher Education Facilities Act of 1963 is amended by strik-
7 ing out “and each of the two succeeding fiscal years” and
8 inserting in lieu thereof the following: “and for the succeed-
9 ing fiscal year; and the sum of \$460,000,000 for the fiscal
10 year ending June 30, 1966”.

11 PUBLIC JUNIOR COLLEGES AND TECHNICAL INSTITUTES

12 SEC. 502. (a) Section 105 (a) (2) of the Higher Edu-
13 cation Facilities Act of 1963 is amended by striking out
14 “other than a project for a public community college or pub-
15 lic technical institute”.

16 (b) Section 107 (b) of such Act is amended (1) by
17 striking out “other than a project for a public community
18 college or public technical institute”, and (2) by striking
19 out “shall be 40 per centum” and inserting in lieu thereof
20 “shall in no event exceed 40 per centum”.

21 (c) Section 401 (d) of the Higher Education Facilities
22 Act of 1963 is amended by inserting immediately before “40

1 per centum” the following: “a percentage (as determined
2 under the applicable State plan) not in excess of”.

3 AUTHORIZATION FOR CONSTRUCTION OF GRADUATE
4 FACILITIES

5 SEC. 503. The second sentence of section 201 of the
6 Higher Education Facilities Act of 1963 is amended by
7 striking out “and the sum of \$60,000,000 each for the fiscal
8 year ending June 30, 1965, and the succeeding fiscal year”
9 and inserting in lieu thereof the following: “the sum of
10 \$60,000,000 for the fiscal year ending June 30, 1965, and
11 the sum of \$120,000,000 for the fiscal year ending June 30,
12 1966”.

13 TITLE VI—ADVISORY COUNCIL TO HOUSE COM-
14 MITTEE ON EDUCATION AND LABOR

15 ADVISORY COUNCIL

16 SEC. 601. (a) The chairman of the Committee on
17 Education and Labor of the House of Representatives is
18 hereby authorized to establish, on or after the beginning of
19 each Congress, an Advisory Council to make studies and
20 recommendations with respect to programs established by
21 this Act or affected by the amendments made by this Act,
22 for the purpose of assisting the committee and any subcom-
23 mittee thereof exercising jurisdiction over the subject mat-
24 ter of any such program. The members of such Advisory

1 Council shall be persons who are specially qualified to make
2 such studies and recommendations, and at least one member
3 shall be an expert in the area of each of such programs.

4 (b) The members of the Advisory Council shall be
5 appointed by the chairman of the committee. The Advisory
6 Council shall meet at the call of the chairman of the com-
7 mittee, but not less than twice a year. The chairman of the
8 committee may designate subcommittees of the Advisory
9 Council to make studies and recommendations with respect
10 to particular programs.

11 (c) Members of the Advisory Council who are not reg-
12 ular full-time employees of the United States shall, while
13 serving on the business of the Advisory Council, be entitled
14 to receive compensation at rates fixed by the chairman of the
15 committee, but not exceeding \$100 per day, including travel-
16 time; and, while so serving away from their homes or regular
17 places of business, they may be allowed travel expenses,
18 including per diem in lieu of subsistence, as authorized by
19 section 5 of the Administrative Expenses Act of 1946
20 (5 U.S.C. 73b-2) for persons in the Government service
21 employed intermittently.

22 (d) There are hereby authorized to be appropriated such
23 sums as may be necessary to carry out this title.

1 TITLE VII—GENERAL PROVISIONS

2 DEFINITIONS

3 SEC. 701. As used in this Act—

4 (a) The term “institution of higher education” means
5 an educational institution in any State which (1) admits as
6 regular students only persons having a certificate of gradu-
7 ation from a school providing secondary education, or the
8 recognized equivalent of such certificate, (2) is legally au-
9 thorized within such State to provide a program of education
10 beyond secondary education, (3) provides an educational
11 program for which it awards a bachelor’s degree or provides
12 not less than a two-year program which is acceptable for
13 full credit toward such a degree, (4) is a public or other
14 nonprofit institution, and (5) is accredited by a nationally
15 recognized accrediting agency or association or, if not so
16 accredited, is an institution whose credits are accepted, on
17 transfer, by not less than three institutions which are so
18 accredited, for credit on the same basis as if transferred
19 from an institution so accredited. Such term also includes
20 any business school or technical institution which meets the
21 provisions of clauses (1), (2), (4), and (5). For pur-
22 poses of this subsection, the Commissioner shall publish a
23 list of nationally recognized accrediting agencies or associa-
24 tions which he determines to be reliable authority as to the
25 quality of training offered.

1 (b) The term "State" includes, in addition to the
2 several States of the Union, the Commonwealth of Puerto
3 Rico, the District of Columbia, Guam, American Samoa, and
4 the Virgin Islands.

5 (c) The term "nonprofit" as applied to a school,
6 agency, organization, or institution means a school, agency,
7 organization, or institution owned and operated by one or
8 more nonprofit corporations or associations no part of the
9 net earnings of which inures, or may lawfully inure, to the
10 benefit of any private shareholder or individual.

11 (d) The term "secondary school" means a school which
12 provides secondary education as determined under State law
13 except that it does not include any education provided be-
14 yond grade 12.

15 (e) The term "Secretary" means the Secretary of
16 Health, Education, and Welfare.

17 (f) The term "Commissioner" means the Commissioner
18 of Education.

19 METHOD OF PAYMENT

20 SEC. 702. Payments under this Act to any individual
21 or to any State or Federal agency, institution of higher edu-
22 cation, or any other organization, pursuant to a grant, loan,
23 or contract, may be made in installments, and in advance
24 or by way of reimbursement, and, in the case of grants or

1 loans, with necessary adjustments on account of overpay-
2 ments or underpayments.

3 FEDERAL ADMINISTRATION

4 SEC. 703. (a) The Commissioner is authorized to dele-
5 gate any of his functions under this Act, except the making
6 of regulations, to any officer or employee of the Office of
7 Education.

8 (b) In administering the titles of this Act for which
9 he is responsible, the Commissioner is authorized to utilize
10 the services and facilities of any agency of the Federal Gov-
11 ernment and of any other public or nonprofit agency or
12 institution, in accordance with agreements between the Sec-
13 retary and the head thereof.

14 FEDERAL CONTROL OF EDUCATION PROHIBITED

15 SEC. 704. Nothing contained in this Act shall be con-
16 strued to authorize any department, agency, officer, or em-
17 ployee of the United States to exercise any direction, super-
18 vision, or control over the curriculum, program of instruction,
19 administration, or personnel of any educational institution,
20 or over the selection of library resources by any educational
21 institution.

89TH CONGRESS
1ST SESSION

H. R. 9567

[Report No. 621]

A BILL

To strengthen the educational resources of our colleges and universities and to provide financial assistance for students in post-secondary and higher education.

By Mrs. GREEN of Oregon

JUNE 30, 1965

Referred to the Committee on Education and Labor

JULY 14, 1965

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250
OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(FOR INFORMATION ONLY;
NOT TO BE QUOTED OR CITED)

Issued August 18, 1965
For actions of August 17, 1965
89th-1st.; No. 151

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HIGHLIGHTS: House debated farm bill. ^{Rep.} Cooley inserted proposed wheat and cotton amendments. Conferees agreed to file report on foreign aid authorization bill. Rep. Selden inserted President's speech proposing elimination of import fee on Latin American sugar. Rep. Cooley introduced Sugar bill. Senate debated bill to expand poverty program. Sen. Young, N. Dak., inserted article critical of shipping restrictions on wheat. Sen. Dirksen discussed U. S. opportunity for expansion of meat exports. Sen. Brewster urged continuation of milk indemnity program.

HOUSE

1. FARM PROGRAM. Began debate on H. R. 9811, the farm bill (pp. 19932-78, 20024-5). Rep. Cooley stated that he intended to propose an amendment on wheat to provide that CCC shall bear a portion of the cost of domestic marketing certificates required for wheat used in the manufacture of food products equal to the amount by which price support for wheat accompanied by domestic certificates exceeds \$2 per bushel (p. 19934). Rep. Cooley inserted amendments to be offered to the cotton title of the bill and an explanatory

statement stating that the amendments:

Would permit the transfer of released acreage across county lines within the State, as is permitted under present law.

Would permit the planting of unlimited acreage to cotton while foregoing program benefits only on farms which had an acreage allotment for 1965 and which were operated by the same farm operator or his heir. An operator who chose to overplant his acreage allotment on one farm could not participate in the program on any other farm in which he had a controlling or substantial interest.

Provides that farmers who receive reapportioned acreage would receive price support payments on the farm domestic acreage allotment computed without regard to reapportioned acreage. The rate of price support payments on such domestic acreage allotment would reflect payments for diverted acres. Farmers would continue to receive 9 cents per pound in 1966 for the domestic allotment portion of reapportioned acres but would not receive payment for diversion of any such acres.

Would provide that a cooperator for purposes of the bill would only have to divert 15 per centum of the farm acreage allotment determined before any acreage is reapportioned to the farm.

Would limit the applicability of section 405 of the bill so that transfers could be approved during the 4-year period 1966-69 but transfers so approved could continue in effect beyond such period.

Would limit the total cotton allotment which may be transferred by sale or lease to any farm to an acreage not to exceed 100 acres above the 1965 farm acreage allotment excluding acreage reapportioned to the farm. For 1965 (pp. 19977-8).

2. FOREIGN AID. The "Daily Digest" states that conferees agreed to file a conference report on H. R. 7750, the foreign aid authorization bill. p. D806

Rep. Selden inserted the President's remarks commending the Alliance for Progress on its fourth anniversary in which he stated he was proposing to Congress the elimination of the special import fee on sugar "so the full price will go to the Latin American producers." pp. 19978-80

Several Representatives commended the Alliance for Progress on its fourth anniversary. pp. 19993-20008, 20044-5

3. DATA PROCESSING. The Government Operations Committee reported with amendment H. R. 4845, to provide for the economic and efficient purchase, lease, maintenance, operation, and utilization of automatic data processing equipment by Federal agencies (H. Rept. 802). p. 20046

4. SUGAR. Received from this Department a proposed bill to amend and extend the provisions of the Sugar Act of 1948; to Agriculture Committee. p. 20046

5. RECREATION. Concurred in the Senate amendments to H. R. 89, to authorize establishment of the Delaware Water Gap National Recreation Area. This bill will now be sent to the President. p. 19921

Rep. Edmondson inserted the report of the Committee on Recreation and Wildlife of the National Rivers and Harbors Congress. p. 19990

6. EDUCATION. The Rules Committee reported a resolution for consideration of H. R. 9567, the proposed Higher Education Act of 1965. pp. 19938-20048.

ucts. Both corn and wheat are what some people call terribly high-price supported products that you have been hearing about.

Then, in addition to that, I bought a loaf of bread the day after the wheat referendum had been defeated 2 years ago. It was a 1-pound loaf of bread, bought in Des Moines—Colonial bread—a 1-pound loaf, a "big old-fashioned, enriched," loaf of bread, for 23 cents. The tag is prominently displayed on the end of the wrapper.

I bought another identical loaf over the weekend. During that 2 years, there has not been any change to millers in the price of wheat.

I bought a loaf of bread over the weekend and, you know what the price was for the identical bread? Twenty-five cents. The price is prominently displayed on the end. This will prove to you that you cannot be guaranteed by anything either in or out of this bill as to what the price of bread is going to be 2 years from now.

Mr. Speaker, I do not know about all of these statistics but I do know what we pay for these items at the grocery store.

Mr. Speaker, this loaf of bread was 2 cents higher last weekend than it was 2 years ago. Yet there has not been an increase in the price of wheat to the miller.

In addition to that, I thought that I ought to look at some other articles, and I found one that was listed at 69 cents. What in the world do you suppose could sell for 69 cents? That is 10 cents higher than flour and 20 cents higher than cornmeal. It is 40 percent higher than cornmeal. It is wild birdseed, 5 pounds for 69 cents. That should help any bird to sing. It contains wheat, millet, peanut centers, some buckwheat, and a little bit of sunflower seed. You have not heard of the Wheat Users' Council complaining about the price of birdseed, containing wheat, have you? There it is. Sixty-nine cents for 5 pounds of wild birdseed. I do not know what it would be if it were tame birdseed.

Mr. Speaker, we have another little package and it is a multicolored package, a rather attractive blue, red, and white package.

Well, this little 5-pound package cost 55 cents. What do you suppose that would be? It is cat litter. Five pounds for 55 cents. It costs more to scratch like a cat than to eat hot biscuits or cornbread.

There is another little item. I did not want any part of the country to be discriminated against, so I thought I would go to Appalachia. Here it is charcoal. That is all it is, charcoal, 5 pounds for 51 cents. That is not a price-supported product but the cost of 5 pounds for 51 cents and that is more than the cost of 5 pounds of cornmeal.

Well, you know, I thought we ought to get down to earth, so I bought something that was 69 cents that was really down to earth because all it is—is earth. It is "Green Thumb" potting soil, 5 pounds for 69 cents; cornmeal was 49 cents for 5 pounds but if you want the plain dirt, 5 pounds costs you 69 cents. Corn is not just dirt cheap, it is cheaper than dirt.

If a farmer got a penny out of that bag of dirt, I will eat all of the turnpike from here to Chicago.

I thought I should see what is going to the dogs, so I bought 5 pounds of dog-food. What do you suppose that cost? Seventy-three cents for Gaines New Dog Meal. Seventy-three cents—50 percent more than it costs for cornmeal. It cost more for dogfood than human food covered by this bill.

You have not heard of any of these protest groups protesting the price of dog-food, have you? Maybe I should form one. I have three of them—at least, that was at the last count.

Then, I see my friends from Kentucky on the front row. I figured they would be there, so I got something from Kentucky. It is only 2 $\frac{3}{4}$ pounds, but it is 89 cents—that is 30 cents per pound. It is just chunks of hickory wood—2 $\frac{3}{4}$ pounds for 89 cents.

I thought I also should get something produced by the folks in New Jersey. I got a big bargain package at \$1.15. You know, you get more if you get a bigger family-size package. This is a 10-pound package for \$1.15, the same price as flour, and it is 17 percent more per pound than for cornmeal.

Now, what do you suppose would cost that much? I had to wrap some plastic around it. You will know why in a minute. It is a nice big bargain package. Of course, it must be some very luscious food to cost that much! What do you suppose, it is? It is cow manure. It is just plain, old unadulterated cow manure. A shopper complains about 80 cents per gallon for milk but who has complained about the price of cow manure?

You people from New Jersey have something by the tail here, and may not know it. If any of you doubt that it is the real McCoy, take a whiff of it. Surely no one from New Jersey will complain about, for instance, the price of corn or wheat when you are receiving that kind of money for your product. This leads me to ask if our dairy farmers should re-evaluate which end of their production is the by-product. In view of this price for that stuff the Republicans tried to sell last year during the campaign, it is no wonder they had a million-dollars left over. So, while eating your hot biscuits on a cold and frosty morning next winter, and complaining about the price of wheat and corn, you can think what it would be like if you could just afford to be a cat, if you could like like a dog, or if you could afford to be a canary or if you could really live high on the hog, and could afford 10 pounds of manure.

Anyway this should prove that the price one pays in the grocery store is not controlled by the price of the raw product included in this bill. And consumers' councils that alleged this just have not been shopping lately.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from Minnesota [Mr. NELSEN].

(Mr. NELSEN asked and was given permission to revise and extend his remarks.)

Mr. NELSEN. Mr. Speaker, now that we have been so well entertained for a few minutes, I would suggest that per-

haps we ought to go to the Department of Justice to investigate the matter if they are getting such healthy prices for the products that we saw displayed here.

I would first of all thank the chairman of the committee, the gentleman from North Carolina [Mr. COOLEY] for his introductory remarks in which he called our attention to the fact that we would have an open rule. He referred to the fact that some amendments would be offered which I think we all agree will improve the bill. I would feel the atmosphere is one that would be in favor of accepting amendments to make this a better bill.

I live in a feed grain area where we are livestock farmers. We have a dairy herd on our farm. I never sell any grain, and every pound of grain and hay that we raise we feed on the farm. I am very much concerned about the feed grain section of this bill and the dairy section. But I want to relate a little history of this feed grain legislation and point out that at the time the first feed grain bill was presented to congressional committees, the Secretary of Agriculture, who had always been an advocate of high supports, to our amazement came in with a bill setting the support at 74 percent of parity. He then requested the authority under the law to sell CCC surplus stocks at levels below the support prices, and his theory was that with this club he could drive the farmers into that program. It so happens that some of us do not have a feed grain base on our farm and we could not be in the program if we wanted to be. But we would be subject to the damage done under such a procedure. I do hope in the deliberations today, the committee will favorably consider some amendments to the bill that will require a release price at a little higher level—and I am not asking for anything unreasonable—not only on wheat but also on feed grains.

The thing that farmers such as myself have been faced with—I know what I am talking about—is the fact that the corporation farmer that everybody screams about can go to the Commodity Credit Corporation and he can buy grain cheaper than I can raise it. He can feed cattle in a huge feed lot in competition with me and can make money because his feed is bought below the support price. He can put his finished product in the packing plant and make money while I have my costs that are fixed and cannot compete with him. This has been a devastating thing to the Midwest. I want to point out that the Secretary of Agriculture himself has demonstrated the wisdom of what I say. He has always stated that cheap feed means cheap livestock, and yet he has made feed cheap by the use of this authority granted to him. I wish to further point out that by virtue of this fact, those of us who are trying to make a go of it on the family farms have been competing with the Government of the United States. If we increase the release prices a little bit, the Government will be better off and we will be better off.

The Secretary himself since last fall has changed a little on the policy. He has allowed some fluctuation in the mar-

ket by holding CCC stocks at about 105 percent of loan price. He has been more cautious in his conduct and as a result prices have increase a little, the CCC has acquired less stocks, and livestock prices have improved. He himself has demonstrated the wisdom of what I say.

I believe the law should require that the Secretary operate in that manner in the future.

I believe the atmosphere here on the floor is and should be one of listening to one another and yielding a little here and there. That has been demonstrated by what our good chairman said. I hope, as we go through our deliberations, we can make a forward step.

I would further urge this House to think about the wisdom of the words of our colleague in the other body, the former Secretary of Agriculture [Mr. ANDERSON] who has been one of the soundest farm advocates over a period of years that I know of. In remarks on the Senate floor last week, Senator ANDERSON offered the following advice:

Based on the facts, it seems to me imperative that we take a real look at the current and proposed price support and adjustment program for agriculture. We cannot continue to pour out billions of dollars annually for programs that are aggravating the situation rather than solving some of the problems of overproduction. It is my honest opinion that we must move toward a market-price system rather than reliance on Government-rigged production controls and compensatory payment programs. A Government warehouse is not a market.

I might also point out that I disagree most heartily with the Secretary of Agriculture in his statement before the committee, when he said, "we must not yield to the temptation to make prices so high the programs become unworkable."

I would point out that in 1964 the parity level of income was 75 percent of parity, the lowest since the depression years. It is too low.

Another thing I should like to point out to our good chairman is that I hope the colloquy will nail down and clearly indicate the intention of the Congress relative to the assignment of a base to a farm. I operate 440 acres. Because of a rotation practice my son in this operation lost his base in the year 1959-60 on 160 acres of land on which feed grains had been raised for 100 years. To this day, he does not have a single base acre. I believe that is because of arbitrary decisions on the part of a local committee, but I believe we should write into plain language what we mean and what we expect.

I have talked to the chairman privately about this. I am sure he will assist in getting some language in the bill to do that very thing.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield 1 minute to the gentleman from Illinois [Mr. FINDLEY].

Mr. FINDLEY. Mr. Speaker, in recent weeks quite a battle has raged around the country over whether the price of bread has gone up in the past year or not; that is, has there been an adverse effect on the price of bread resulting from the bread tax bill the Congress passed a year ago? Secretary Freeman has denied that bread prices are up. The

statistics of his own department indicate they are up. The argument ought to end here and now. The gentleman from Iowa [Mr. SMITH], very kindly just gave us visible proof that bread prices are up. They are up 2 cents a loaf over last year.

As we consider the amendment which the gentleman from North Carolina indicated he will offer, to provide for a general revenue financing on the proposed 50 cents hike in certificate value, let us remember that the bread tax bill which helped to force up the price of NEAL SMITH's bread will still be in effect whether the amendment is accepted or not. The value of the present bread tax, by Secretary Freeman's own figures, comes to more than 1 cent for each pound loaf of bread.

Mr. SISK. Mr. Speaker, I yield 1 minute to the gentleman from Iowa [Mr. SMITH].

Mr. SMITH of Iowa. Mr. Speaker, the price to the miller has not increased one penny per bushel because at the time the certificate cost was added, the market price was reduced by the same amount. The price to the miller has not increased and any increase in the cost of bread has not been caused by the certificate provision that was added 2 years ago.

Mr. SISK. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

AID TO HIGHER EDUCATION

Mr. SISK, from the Committee on Rules, submitted the following privileged resolution (H. Res. 527, Rept. No. 803), which was referred to the House Calendar and ordered to be printed.

H. Res. 527

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 9567) to strengthen the educational resources of our colleges and universities and to provide financial assistance for students in postsecondary and higher education. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor, the bill shall be read for amendment under the five-minute rule by titles instead of by sections. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

FOOD AND AGRICULTURE ACT OF 1965

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 9811) to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Gov-

ernment costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 9811, with Mr. HARRIS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from North Carolina [Mr. COOLEY] will be recognized for 2½ hours and the gentleman from Pennsylvania [Mr. DAGUEL] will be recognized for 2½ hours.

The Chair recognizes the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman I yield myself 5 minutes.

Mr. Chairman, I present now H.R. 9811, the omnibus farm bill. This is one of the most important pieces of legislation to be considered in this 89th Congress. I shall discuss its purposes and provisions briefly, in the thought that this may be helpful to Members, as the debate begins.

I announced earlier, during consideration of the rule, that certain amendments would be offered to the wheat and cotton titles of the bill, with the view to removing controversy and to enable the House to approve this legislation by a substantial vote.

The amendment to the wheat title will eliminate the so-called "bread tax" issue. The amendments to the cotton title will remove some objectionable features with respect to the program for this important crop. We shall discuss these amendments in detail as the debate here progresses.

Mr. Chairman, H.R. 9811 incorporates the successful features of past programs and draws on new proposals in a determined and comprehensive effort to meet the basic needs of farmers, consumers, and taxpayers.

Gains have been achieved in agriculture in recent years, but farmers still find themselves lagging behind as other segments of the economy move upward during these most prosperous times.

In opening the discussions on these proposals which seek to build on successful farm provisions of the past, it is fitting to review accomplishments achieved from legislation in recent years.

The grain surplus is disappearing—down more than one-third from the 4.5-billion bushel peak at the end of the 1960 crop marketing season.

Government wheat costs are down—more than \$300 million less in the fiscal year just ended than in the previous fiscal year.

Farm wheat income is up—combined crop value and income for the past 4 years totals nearly \$4.4 billion more than the 1960 level.

Consumers continue to enjoy food abundance—only 18.5 percent of the average family's take-home pay is spent for food, less than last year and considerably less than a few years ago.

Farmers Home Administration:

Rural Housing Insurance Fund	\$100,000,000
Salaries and expenses (for administrative costs associated with the Rural Housing Insurance Fund)	4,000,000

Forest Service:

Forest Roads and Trails (Liquidation of Contract Authorization - for repair of damage caused by floods in the Northwest states)	<u>23,500,000</u>
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Total.....	<u><u>\$130,271,000</u></u>
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10. HOUSING. Received the conference report on H. R. 6927, to establish a Department of Housing and Urban Development (H. Rept. 884). pp. 21134-6, 21161
11. EDUCATION. Passed, 367 to 22, with amendments H. R. 9567, the proposed Higher Education Act of 1965 (pp. 21061-131, 21147). The bill provides for Federal aid to institutions of higher education to assist in seeking solutions to urban and suburban problems through college and university community service projects, and to improve library services, to provide assistance to needy students, etc., and provides for the establishment in the Office of Education of a National Advisory Committee on Community Service Programs, including a representative from this Department.
12. CONTRACTS; LABOR STANDARDS. The Education and Labor Committee voted to report (but did not actually report) H. R. 10238 (amended), to provide labor standards for certain persons employed by Federal contractors to furnish services to Federal agencies. p. D850
13. AIR POLLUTION. The Interstate and Foreign Commerce Committee voted to report (but did not actually report) S. 306 (amended), to amend the Clean Air Act to require standards for controlling the emission of pollutants from gasoline-powered or diesel-powered vehicles, and to establish a Federal Air Pollution Control Laboratory. p. D851
14. RESEARCH. The Rules Committee reported a resolution for consideration of H. R. 3420, to promote economic growth by supporting State and regional centers to place the findings of science usefully in the hands of American enterprise. p. 21161
15. TRANSPORTATION. The Rules Committee reported a resolution for the consideration of H. R. 5863, to authorize the Secretary of Commerce to undertake research and development in high-speed ground transportation. p. 21161
16. DATA PROCESSING. The Rules Committee reported a resolution for the consideration of H. R. 4845, to provide for the economic and efficient purchase, lease, maintenance, operation, and utilization of automatic data processing equipment by Federal departments and agencies. p. 21161
17. FARM LABOR. Rep. Cederberg again discussed the farm labor problems of the Mich. pickle farmers, and criticized statements made by Rep. Race as to the successor failure of the A-team program. pp. 21147-8

18. SCHOOL LUNCH; TURKEYS. Rep. Langen urged the use of turkeys in the school lunch program "to help stabilize the market for this commodity." p. 21150
19. PERSONNEL; PAY. Rep. Multer inserted his statement in support of a salary increase for Federal employees. pp. 21153-4
Received from the Labor Dept. proposed legislation entitled "Federal Employees' Compensation Act Amendments of 1965"; to Education and Labor Committee.
20. ADJOURNED until Mon. Aug. 20. p. 21160

ITEMS IN APPENDIX

21. LIBRARIES. Rep. Landrum inserted a speech entitled "The Changing Role of Libraries", discussing the concept of a national complex of library systems. pp. A4826-8
22. MILITARY CONSTRUCTION; VETO. Rep. Clevenger inserted a newspaper article supporting the President's veto of the military construction bill. p. A482
23. FARM LABOR. Extension of remarks of Rep. Cederberg commending and inserting an article, "Teen Pickle Pickers Fail as Bracero Replacements" describing a shortage of farm labor from the Mich. cucumber harvest. pp. A4832-3
24. OPINION POLL. Extension of remarks of Rep. Davis, Wisc., inserting the results of his opinion poll. pp. A4835-6
25. TOBACCO. Rep. Boggs inserted an article describing a La. tobacco crop known as perique. p. A4836.
26. WATER. Rep. Davis, Wisc., inserted an article discussing the leading role of a Wisc. company in the research and development of water desalinization plants. pp. A4837-8
Rep. Brown of Calif. inserted an article commending administration actions to meet water shortages in the Northeast, yet urging private enterprise development of water supply systems. pp. A4846-7
27. FARM PROGRAM. Speech in the House by Rep. Philbin supporting the farm bill. pp. A4839-40
28. SUGAR. Extension of remarks of Rep. May objecting to statements made before the House Agriculture Committee by a lobbyist on behalf of the Association of Sugar Producers of Mexico that U. S. domestic sugar production should be reduced. pp. A4841-2
29. SOIL CONSERVATION. Rep. Laird inserted a Wis. Legislature joint resolution memorializing Congress to restore SCS funds for conservation technical assistance and for conservation and resource development works. p. A4851

BILLS INTRODUCED

30. RECREATION. S. 2460 by Sen. Ribicoff, to authorize the establishment of the Connecticut River National Parkway and Recreation Area, in the State of Connecticut, Massachusetts, Vermont, and New. Hampshire; to Interior and Insular Affairs Committee. Remarks of author pp. 21172-3

per annum. The report shall not be printed as a public document."

Page 9, lines 20 and 21, strike out "chapter" and insert: "Act".

Page 9, line 21, after "reserved" insert: "to the Congress".

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

HIGHER EDUCATION ACT OF 1965

Mr. DELANEY. Mr. Speaker, by direction of the Committee on Rules, and on behalf of the gentleman from Massachusetts [Mr. O'NEILL], a member of the committee, I call up the resolution, House Resolution 527, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 9567) to strengthen the educational resources of our colleges and universities and to provide financial assistance for students in postsecondary and higher education. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority members of the Committee on Education and Labor, the bill shall be read for amendment under the five-minute rule by titles instead of by sections. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The Chair recognizes the gentleman from New York [Mr. DELANEY] for 1 hour.

Mr. DELANEY. Mr. Speaker, I yield 30 minutes to the gentleman from California [Mr. SMITH] and now yield myself such time as I may consume.

Mr. Speaker, House Resolution 527 provides an open rule with 2 hours of general debate for consideration of H.R. 9567, a bill to strengthen the educational resources of our colleges and universities and to provide financial assistance for students in post secondary and higher education. The rule also provides that the bill shall be read for amendment by titles instead of by sections.

The incredible growth of the American college population has been well publicized. In the 10 years from 1954 to 1964 the number of college and university students climbed from 2.4 to 4.8 million—an increase of 100 percent. It appears that this accelerated rate of growth will continue into the next decade. The projected enrollment in 1970 is 6.9 million students and by 1973, this figure is expected to jump to 8 million.

Less well known is the increase in the number of colleges and universities. Since the war the number of institutions of higher education in this country has

risen 250 percent, from 866 to approximately 2,300. As existing facilities have become overcrowded and as new institutions have sprung up, academic quality has often been sacrificed for the sake of growth. Inadequate library resources, a lack of qualified teachers, packed classrooms, and insufficient scholarship funds characterize many of the Nation's colleges and universities.

It is the purpose of H.R. 9567 to overcome, or at least to ameliorate, some of these problems.

Mr. Speaker, I urge the adoption of House Resolution 527.

Mr. SMITH of California. Mr. Speaker, I yield myself such time as I may consume.

(Mr. SMITH of California asked and was given permission to revise and extend his remarks.)

Mr. SMITH of California. Mr. Speaker, as stated by the distinguished gentleman from New York [Mr. DELANEY], House Resolution 527 will provide an open rule with 2 hours of debate for consideration of H.R. 9567, the Higher Education Act. The rule also provides that the bill will be read by title for purposes of amendment. The bill provides for a series of programs aimed at strengthening our higher educational institutions' physical facilities, and increasing available financial support to insure an education for qualified students.

Title I provides for a program of financial support for colleges and universities which offer community service courses as part of an accredited program of study. Fifty million dollars in grants is authorized for the first of a 5-year program. Each State is to receive \$100,000, the remainder to be divided among the States on a population basis.

Title II authorizes \$50 million for the first of a 5-year program for grants to schools to assist them in acquiring books and other library materials. Basic grants of \$5,000 per school are authorized, with supplemental grants available not to exceed \$10 per each full-time student.

Additionally \$15 million is authorized for the first year of a 5-year program for grants to schools to establish scholarships and other assistance for students wishing to study to become librarians.

Five million dollars is authorized for the first year of a 5-year program to enable the Library of Congress to purchase further materials and increase the pace of its cataloging of available scholarship material.

Title III provides \$30 million for grants to assist developing and new colleges and universities to expand to meet the growing demand. Grants are to be used to provide fellowships and stipends, available at such institutions, to bring to them professors from established institutions as instructors. A program of cooperation between established institutions and developing ones is to be encouraged to assist newer institutions in their efforts to meet today's needs.

Mr. Speaker, these three titles have, I believe, wide support. It is in title IV where major disagreements raise their heads. This title provides for student assistance programs containing both

grants and loans. Most everyone approves of assistance to qualified and needy students. However, testimony received raises questions as to the methods we are pursuing in this bill. Federal funds in the amount of \$235 million—over a 3-year period—are made available for grants to students. The program will be administered through the schools. Additionally the program of student loan insurance, together with a Federal payment to banks and other private lenders of one-half of the interest—or 3 percent of 6 percent—on student loans, is broadened. To encourage them to set up such programs, \$17.5 million is authorized to be distributed among the States. Some 16 States now have such programs, and testimony before the Rules Committee indicated that 5 or 6 other States were considering such legislation.

Mr. Speaker, testimony indicated that such programs will treat equally needy and qualified students differently, depending on whether they receive scholarships or loans. Additionally, these programs are aimed at the needy student and do not assist those upon whom the squeeze is increasing dramatically, the middle-income groups. The problem increases as costs of education increase—and they continue to increase.

Title IV takes the work-study college program out of the poverty program and puts it into the Office of Education in the Department of Health, Education, and Welfare—\$129 million is authorized for 1 year to carry out the program.

Title V doubles the funds available for grants for construction of teaching facilities to \$580 million for fiscal 1966.

Title VI provides that the chairman of the Committee on Education and Labor of the House of Representatives is authorized to establish, on or after the beginning of each session, an advisory to make studies and recommendations with respect to programs established by this act or affected by the amendments made by this act, for the purpose of assisting the committee and any subcommittee thereof exercising jurisdiction over the subject matter of any program.

The members of the advisory council shall be entitled to receive compensation at rates fixed by the chairman of the committee but not to exceed \$100 per day, including travel time.

There apparently are more than 200 various advisory committees in existence at the present time. There seems to be no limitation on the number of people who can be appointed to this advisory council, and it is not clear to me just how effective they might be or why some present council cannot do it or why the committee staff cannot do it. It would appear that most any number of individuals could be placed on this council at the direction of the chairman, each of whom would receive \$100 per day. It is questionable to me as to whether or not this is an appropriate thing to do.

Now, since this matter was heard before the Committee on Rules, some information has been brought to the attention of some of us in connection with the fraternities and sororities at the various colleges. I believe you will recall

in the civil rights bill certain language was placed therein. The information now is to the effect that the Commission does not feel that this language applies to them. It is my understanding that additional language identical with the language in the civil rights bill will be offered as an amendment to this bill, and in my opinion it should be supported.

I think the distinguished gentleman from Virginia, the chairman of the House Committee on Rules, will shortly explain this situation to us. It comes to all of us as something rather new, and I hope that the Members will heed the statement of the gentleman from Virginia so that when we have a chance to vote on this particular amendment we will be aware of what is taking place.

Mr. Speaker, I have several requests for time and I reserve the balance of my time.

Mr. DELANEY. Mr. Speaker, I yield 5 minutes to the distinguished chairman of the Committee on Rules [Mr. SMITH].

Mr. SMITH of Virginia. Mr. Speaker, I shall support the rule for the consideration of this bill. There has, however, been brought to my attention on yesterday a matter that I think should be corrected—a practice that is being threatened by the department of the agency in charge of education. It requires a moment or two of explanation as to the background of this matter in order that the House may understand what this amendment will be proposing to do.

Many of the Members will recall that in the Civil Rights Act of 1964—that was last year—during the consideration of that bill, before the Committee on Rules, it came to the attention of the committee that the Commission on Civil Rights was exploring the field of sororities, fraternities, and other social organizations in order to lay the ground for bringing them under the civil rights bill with respect to their membership. When that was understood, the committee, when the bill was brought to the floor, proposed an amendment which was accepted by the House which laid down the policy with respect to the personnel of purely social organizations.

There was a great deal of agitation about it at the time on the part of the fraternal organizations of all kinds, and religious groups, and the Congress at that time enacted this amendment. This is the language of the amendment:

Nothing in this or any other Act shall be construed as authorizing the Commission, its Advisory Committees, or any person under its supervision or control to inquire into or investigate any membership practices or internal operations of any fraternal organization, any college or university fraternity or sorority, any private club or any religious organization.

Congress thought at that time that we had laid down a policy on that subject which would be respected. Now under the education program that department now proposes to dictate to the universities that they must supervise the admission policies of all fraternities and social organizations that are connected with the universities. This provision of

law, I am told, was brought to the attention of the Commissioner of Education. He construes the Civil Rights Act of 1964, because it had reference to the problem at that time of the Commission on Civil Rights doing these things, as prohibiting the Civil Rights Commission from interfering with the personnel and membership of fraternities and sororities, but says that because the Commission is mentioned it does not apply to his department.

Mr. Speaker, it seems to me that the money that you are going to appropriate today for the education of the youth in the higher colleges and universities is about to be used to blackmail the colleges who are to be the recipients of it into supervising and controlling the membership policies and other policies of the fraternities and sororities. I am sure that that is not what Congress intends in this bill, and I am sure that there is no effort on the part of the Congress to interfere with private clubs and social organizations and their membership.

There should be a freedom, as there has been up to now, to select their own membership.

Mr. Speaker, an amendment is going to be offered to this bill which will prohibit the Commissioner of Education from interfering in this matter. The amendment will be in the identical language that Congress has already used in prohibiting the Commission on Civil Rights to go into this matter. That amendment will say, in the identical language used by Congress just last year in the passage of the Civil Rights Act itself, which laid down the policy, on page 78, section 704, wherein it says that:

Nothing contained in this Act or any other Act shall be construed to authorize the exercise of any agency over curriculum and program of instruction—

And so forth.

Mr. Speaker, to that will be added this language, and this, as I said before, is the identical language passed last year with respect to the Commission on Civil Rights. The language is as follows:

Shall not interfere with—

So and so and so on—

or the membership practices or internal operations of any fraternal organization, any college or university fraternity or sorority or any private club or any religious organization.

Mr. Speaker, we thought we had covered the waterfront last year. Apparently there is a different construction placed upon the language by the Department of Education.

Mr. Speaker, in order to make this thing clear, I hope that the House will accept this amendment.

I have before me a newspaper article where the Commissioner of Education has proclaimed that this is the policy he intends to pursue, to compel colleges and universities to supervise and dictate whatever he dictates with respect to their membership, under pain of being denied participation in the grants provided under this bill.

Mr. Speaker, and my friends, this is going a little bit too far. We have gone plenty far on these matters already.

I do hope that the Committee on Education and Labor will not interpose any objection to this amendment which is actually needed because of the policy that has already been laid down by the Commissioner of Education.

Mr. SMITH of California. Mr. Speaker, if I may, I yield myself 1 minute.

Mr. Speaker, I would like to refer for the moment to title VI of this bill wherein the chairman of the House Committee on Education and Labor can appoint this Advisory Council.

Mr. Speaker, it is my opinion that would actually break down the rules and the procedures of the House of Representatives. This is like a special or select committee.

Mr. Speaker, the prerogative of appointing those Members has always been left to the Speaker of the House of Representatives and not to the chairman of a committee.

Mr. Speaker, such procedure will bypass the prerogatives of the Speaker, it will bypass the Committee on House Administration, and it will bypass the Committee on Appropriations.

I think it would be a very bad precedent, and I hope we can amend that very bad language in title VI out of this bill.

Mr. Speaker, I now yield 8 minutes to the gentleman from Missouri [Mr. CURTIS].

Mr. CURTIS. Mr. Speaker, the present debate is on the rule and whether or not we will adopt it. This involves procedures. Incidentally, I was very impressed to hear the chairman of the Rules Committee and our ranking minority member of the Rules Committee [Mr. SMITH] expound this procedural question that is involved in the substantive aspects of the bill.

I am not here to discuss any of the substantive aspects. I am taking the floor as a member of the Select Committee of the Joint Committee on the Organization of the Congress.

I read the minority views for the first time a few minutes ago, and I am shocked. If this is an accurate statement of the procedures followed by the Committee on Education and Labor of the House there should be Members, on both sides of the aisle here, in the well of the House protesting a rule being granted, and they should vote against it.

Maybe these charges are not true, but I will read one of the bylines.

"A mockery of the legislative process."

If the charges stated here are not true I hope someone on the majority side or on the minority side who might disagree with these charges will take the floor and say they are not.

Among other things that are rather basic, the function of the Rules Committee, as I understand it, is to be certain that matters are ready for floor debate. In other words, that there are printed reports accompanying the bill, that the committee has held hearings, and there are written reports of those hearings available to the House; that witnesses who wish to be heard were heard, and that proper consideration was given to the gathering of what wisdom and knowledge exists within our society

that may bear on the questions involved in the proposed legislation.

Mr. GIBBONS. Mr. Speaker, will the gentleman yield?

Mr. CURTIS. I yield to the gentleman from Florida.

Mr. GIBBONS. I only heard part of the gentleman's remarks as I came in. I assume there was some conversation going on about improper hearings or no hearings being held on this bill; is that correct?

Mr. CURTIS. Let me restate the case to the gentleman: I was distressed, I said, to read the minority views which I just read a few minutes ago. I am concerned, and I made the statement that if these charges are true—I do not know whether they are or not—but if they are then it is very clear in my mind this matter is not ready for floor debate. I am surprised that the Rules Committee would grant a rule. I had not reached the point in my discussion whether or not there had been adequate consideration. I would say to the gentleman. But one of the statements made here in the minority views is that in the last 20 minutes the committee had rubber-stamped the news scholarship program, which they had not discussed, then went on and passed it out. There was no testimony taken on this very important and new provision by the subcommittee or the full committee.

Is this true? Did you have a hearing on the actual features of this provision that were going in the bill?

Mr. GIBBONS. We had very extensive hearings.

Mr. CURTIS. I know you had those.

Mr. GIBBONS. I want to be brief. We did not only that, but we had long sessions with the subcommittee and discussed this proposition among other proposals.

Mr. CURTIS. I understand all that.

Mr. GIBBONS. At which time we called in people, student aid people at the universities and schools, and took statements of people in that field. We had informal discussion for hours and hours and hours around the conference table.

Mr. CURTIS. You did not have administrative witnesses to testify to this so-called new scholarship plan and that testimony is not available to the House; am I correct?

Mr. GIBBONS. No, I do not believe you are correct on that. I am not trying to evade the question but I say, we did have long extended hearings and discussions on this, some of which were transcribed, and they are here, and some of which were not. I think too that those hearings were adequately participated in by the minority members of the subcommittee handling this particular piece of legislation.

Mr. CURTIS. I will say to the gentleman that is the issue that has been drawn in the minority views and that is what I am seeking to find out. The gentleman has not addressed himself to the charges made in the minority views in regard to the procedures followed in preparing this matter for floor debate. I am again going to say this, if someone on the committee is not ready to state that this is inaccurate I must reiterate my

statement that in my judgment, this matter is not ready for floor debate.

Mr. GRIFFIN. Mr. Speaker, will the gentleman yield?

Mr. CURTIS. I yield to the gentleman from Michigan.

Mr. GRIFFIN. I want to compliment the gentleman for taking the floor and focusing the attention of the House on the procedures that were employed in the consideration by the full committee of this bill. I want to indicate my agreement with the gentleman from Florida [Mr. GIBBONS] to the extent he indicates that the subcommittee under the chairmanship of the gentleman from Oregon [Mrs. GREEN] did hold extensive hearings on the legislation as it was originally presented. The subcommittee did a thorough job, in my opinion. I believe it should be acknowledged, as we discuss the procedure followed by the full committee, that the subcommittee under the chairmanship of Mrs. GREEN did explore this subject in considerable depth.

Mr. CURTIS. Mr. Speaker, may I say to the gentleman the minority views fully sets forth that point as to the gentleman from Oregon and does commend the gentleman for the very fine method in which the hearings were held. That is why I responded to the gentleman from Florida, that he did not address his attention to the serious charges in the minority report on the procedures. Because it is pointed out in the minority views that this kind of work was done, to the credit of the full committee and the subcommittee.

The charges say however, that all this work was disregarded. Here is another headline in the minority views—"The 'word' from downtown," actually charging that the President sent word to bring in a new measure that the committee had not even held hearings on and had not interrogated Government witnesses on.

Now let me say this. I am not speaking as a Republican. I am speaking as one who is deeply concerned about the legislative process. Some of you self-styled liberals who possibly were not in the House at the time the fight occurred to enlarge the Committee on Rules—that is the first fight—some of you may remember though that I was one over on this side who voted for the enlargement because I felt there was a need for the party that had the majority to be able to move forward, and if there was any claim of obstruction, then this reform should eliminate it.

The SPEAKER. The time of the gentleman has expired.

Mr. CURTIS. Mr. Speaker, may I ask the gentleman from California to yield me 2 additional minutes.

Mr. SMITH of California. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. CURTIS. I must confess that since then, the way the majority has used this power has had little relation to letting the House work its will, what with closed rules, where closed rules were not justified and what with waiving points of order where waiving of such points of order was not justified and

throttling the House so that it could not offer proper amendments and debate matters in a full and orderly fashion.

Now charges such as contained in the minority views must be supported by truth, and, when so supported, be backed by member on both sides of the aisle. I am disappointed at the leadership on my side of the aisle in this matter. We all must realize that serious charges such as those contained in the minority views should not be made unless those making the charges and their party leaders are willing to back them up and by backing them up, I mean at least making a fight on the rule itself and then if we are defeated and we probably would be, then to carry the issue to the next place and finally if necessary to the people of this country. I am satisfied that there are enough Members of the Democratic party as well as Republican who feel deeply the way I do on this subject of proper procedures. It has nothing to do with our judgment on substantive issues. It has to do with whether the House is to be a study and deliberative body to try to reach proper and wise judgments; or whether the House is simply to be a conduit where judgments rendered elsewhere in the society are rammed through, using tactics other than fair argument and debate through wheeling and dealing and through arm twisting.

I am sure that the Democratic Party and the leadership does not want to have this an issue in an election. I do not, either, because I do not believe it ever should reach that point. There should be enough on the majority side of the House to realize what I am saying here does not have anything to do with Republicans and Democrats, but it has to do with the very vitality of the congressional system. Believe me, that is at stake.

I shall read into the RECORD the pertinent portions of the minority views which has created my concern:

MINORITY VIEWS

We, the undersigned, have reservations about this bill in its present form. Even by the sometimes bizarre procedural standards of this committee, the treatment accorded this bill has been wholly unsatisfactory. Before turning to the merits of the bill, it is important to note the procedure by which this committee dealt with legislation affecting so vital a national interest as higher education.

"A MOCKERY OF THE LEGISLATIVE PROCESS"

Our Democratic colleague, Mr. PUCINSKI, as quoted by the Wall Street Journal of July 1, 1965, described the handling of this bill as "a mockery of the legislative process." We agree; the committee's performance was so absurd and so demeaning to the integrity of the Congress as to invite repudiation.

Before the full committee made its changes, the Special Subcommittee on Education under the chairmanship of our colleague, Mrs. Green, had given careful consideration to the legislation as originally proposed by the administration. The subcommittee had struck out provisions for Federal guarantees of student loans (mainly on the grounds that this need is being met by an increasing number of State and private loan guarantee programs). As reported by the subcommittee the bill still contained a controversial provision for Federal scholarships.

The subcommittee print came before the full committee on May 20, and on May 21

the committee voted to delete the scholarship provisions. Further consideration by the full committee was then suspended and the subcommittee print was laid on the chairman's desk. Thereafter, some members of the subcommittee informally worked out a scholarship plan keyed to NDEA loans which also involved repeal of the forgiveness provision of the loan program. No further action was taken on the higher education bill until June 24, when a clean bill was ordered reported in an extraordinary late afternoon session.

It was this unusual meeting which our colleague termed "a mockery of the legislative process." In a meeting lasting less than 20 minutes the committee majority rubber-stamped the new scholarship plan which it had not discussed, reinstated the Federal student loan guarantee plan previously rejected by the subcommittee, repudiated the subcommittee by reinstating the loan forgiveness feature of the NDEA, accepted an amendment which extends NDEA loans to new categories of institutions (an idea not previously discussed), and approved authorizations in excess of \$600 million annually without even having a clean print to examine. The question is why such a procedure was adopted. It could not have been the burning urgency of reporting some bill at any cost, because the bill that was introduced to carry out this hasty action was not itself reported until July 8. Certainly no impending crisis justified such action.

It is common knowledge that this unjustified action to approve a bill virtually sight unseen was ordered by the White House.

THE "WORD" FROM DOWNTOWN

This procedure by which congressional committees demean themselves and the entire legislative process is coming to be known as "getting the word from downtown." We raise no objection to a decent regard for the wishes of the President in legislative matters; this is part of the traditional relationship between a President and his party in the Congress. But we do protest the abject surrender of legislative responsibilities, often made—as in this case—in response to demands from the White House (whether originating from the President or not) which border on the irrational.

We note in the instance of this hastily assembled committee meeting on June 24 that on that very evening the President addressed a \$100 per plate Democratic dinner and ticked off nine congressional "achievements" (And as if to give towering substance to my words tonight, the Congress in one day—today—moved on many fronts * * *), listing first the reporting of the higher education bill. We should hate to think that the White House ordered hasty action on a measure of this importance simply to provide the President with a few lines in a political speech made later that evening.

Some of our Democratic colleagues perhaps feel that they can do no more than complain in private while they acquiesce to a callous disregard for the integrity of the Congress, but we feel that we have an obligation to the American people to bring this sort of procedure to their attention.

This Congress—by yielding to unreasonable demands—is endangering the separation of powers which is fundamental to our structure of government. We submit that the demand to act precipitously on H.R. 9567 was unreasonable and represents a profound contempt for education itself. Certainly the handling of this bill provides a vivid example of how power is misused when it becomes too concentrated.

Mr. GIBBONS. Mr. Speaker, will the gentleman yield?

Mr. CURTIS. I yield to the gentleman from Florida.

The SPEAKER. The time of the gentleman from Missouri has expired.

Mr. SMITH of California. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan [Mr. GRIFFIN].

Mr. GRIFFIN. Mr. Speaker, I yield to the gentleman from Florida [Mr. GIBBONS].

Mr. GIBBONS. Mr. Speaker, I appreciate the yielding to me by the gentleman from Michigan [Mr. GRIFFIN].

I do not want to belabor the point. I merely want to state categorically that there was not any arm twisting from the White House on this bill. There was very little interest in this bill from the White House. Frankly, I do not recall any Member from the White House, the President or anybody else, ever talking to me about this bill. I attended practically every committee meeting and practically every session.

Mr. GRIFFIN. Mr. Speaker, I decline to yield further at this time.

I should like to state that I appreciate the gentleman's contribution to the discussion with respect to the hearings held by the subcommittee, of which he and I are members. Now, the gentleman seems to be coming to the defense of the procedure in the full committee. To me, that is indefensible.

Does the gentleman from Florida agree that a meeting of the full committee was called for 3 o'clock one afternoon, that notice was given that same day, that the committee met for only 20 minutes, as charged in the minority views, and that no consideration whatsoever was given to some titles of this bill before it was reported?

Does the gentleman agree that was the day the President spoke to a \$100-a-plate dinner downtown at which time he reported that the full committee had reported this bill?

Does the gentleman take issue with those statements?

Mr. GIBBONS. I am sorry; I do not recall that.

Mr. GRIFFIN. What does the gentleman not recall? Which part of it?

Mr. GIBBONS. The whole statement, frankly.

Mr. GRIFFIN. The gentleman does not recall that the committee reported the bill at an extraordinary meeting in the afternoon, during which the committee devoted only 20 minutes to it?

Mr. GIBBONS. We discussed this bill many times in the full committee and many times in the subcommittee, as the gentleman well knows.

Mr. GRIFFIN. I am disappointed. I appreciate the gentleman's clearing up the previous point.

Mr. GIBBONS. I realize that the gentleman is disappointed. I am sorry I cannot help him.

Mr. GRIFFIN. The gentleman's colleague from Illinois [Mr. PUCINSKI] had quite a bit to say to the press that day about the procedure. He called it a "mockery of the legislative process." I wish he were on the floor today to restate his views.

Mr. GIBBONS. I am sorry; I do not know what Mr. PUCINSKI has said.

Mr. GRIFFIN. If he has not done so, I hope the gentleman will read the mi-

nority views, which provide a clear explanation of what we are talking about.

Mr. QUIE. Mr. Speaker, will the gentleman yield?

Mr. GRIFFIN. I yield to the gentleman from Minnesota.

Mr. QUIE. I merely wish to say that the gentleman from Michigan is absolutely correct. The subcommittee did work hard and long on this legislation, but when the full committee dropped scholarships from the act then it seemed to be at a loss as to which way to move. The subcommittee then rather informally worked some more and came up with a new scholarship proposal and put in insured loans from private lenders, which the full committee had never even considered. The subcommittee had originally dropped part B since there was so little support for federally insured loans.

Then when the bill came before the full committee this bill was rushed through in a very few minutes. Members who happened to have offices a long way from the Rayburn Building like myself did not have time to get over there to even vote.

The SPEAKER. The time of the gentleman from Michigan has expired.

Mr. SMITH of California. Mr. Speaker, I yield 1 minute to the gentleman from Minnesota [Mr. QUIE].

Mr. REID of New York. Mr. Speaker, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from New York.

Mr. REID of New York. Mr. Speaker, I will say that the gentleman is absolutely correct. On the afternoon in question I know I was in my office, and I made inquiry to see whether a quorum was present. A quorum was not present. I was advised it would be, perhaps, in 15 minutes. I got there somewhat later, and the meeting had met, acted, and adjourned.

I believe the gentleman was in a similar position. He had a distinguished visitors in his office and was unable to get there in time.

Mr. QUIE. The gentleman is correct. The gentleman also knows both of us were extremely interested in this legislation and in trying to make the best possible bill come before the House.

Mr. REID of New York. That is accurate.

Again I would like to pay my compliments most warmly to the gentlewoman from Oregon who was extremely conscientious in her handling of the hearings and of the bill.

Mr. DELANEY. Mr. Speaker, I yield 4 minutes to the gentleman from Ohio [Mr. HAYS].

[Mr. HAYS addressed the House. His remarks will appear hereafter in the Appendix.]

Mr. DELANEY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

Mr. POWELL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 9567) to strengthen the educational resources of our colleges and universities and to provide financial as-

sistance for students in postsecondary and higher education.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 9567, with Mr. VANIK in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. POWELL. Mr. Chairman, with the bill I place before you today, H.R. 9567, the Higher Education Act of 1965, we declare our recognition that higher education is the keystone of our educational program upon whose strength the success of our efforts to achieve full educational opportunity vitally depends.

By this fall over 5 million students will be taking notes in some 2,300 institutions of higher learning.

Today we act, not react. We no longer chase sputniks across the skies with a hastily devised program of scholarships for science. With this bill we proceed toward molding the myth of higher education for all into vivid, democratic reality.

The most acute problem we currently face is devising a way for the financially weak to hurdle the fiscal barriers to obtaining a degree. While higher education is now deemed a necessity by the President, it remains condemned as a luxury by spiraling costs.

One year at a public institution now empties a bank account containing \$1,560, while the same term in a private college requires an outlay of \$2,370. We may not be able to lower the price tag, but we can try to open the doors for those who previously could only press their noses against the window and stare.

We intend, by way of the colleges and universities, to deliver to those in need a package comprising educational opportunity grants on a sliding scale from \$200 to \$800 per year per person, partially subsidized interest and guaranteed principal on loans obtained from State and commercial sources, and increased work-study opportunities.

The needy encompass students not only from low-income families, although their priority in this aid program is assured, but also from families in the middle-income brackets who find that the cost of educating their children has far outstripped their unaided ability to pay.

If we enact this bill, next year over 150,000 prospective students who would otherwise have to forego college attendance and enlist in the army of the unemployed because unskilled will be able to mix these sources of funds so as to withstand the college price squeeze.

We do not plan to deposit students at the entrance to the campus and abandon them to institutions whose performance and facilities are so deficient as to stifle the student's potential talent. This bill also seeks to upgrade the quality of the higher education it would render so much more accessible.

To remedy the current situation in which many students finish high school with more advanced information better

taught than in some colleges, H.R. 9567 prescribes improvement by association.

Well-to-do colleges would unite with their poorer sisters through faculty and student exchanges and other joint programs. Cooperation between developing institutions themselves and with business organizations are other bill-supported routes to survival by growth in excellence. The faculty crisis faced by these institutions would be alleviated by use of fellowships encouraging qualified graduate students or junior faculty members into teaching there.

Since the true university is, as Carlyle pointed out, a collection of books, the libraries of every interested institution would be enriched by an infusion of funds to acquire the rapidly multiplying number of books and related library materials with special emphasis on sharing of resources. The thin ranks of personnel trained in librarianship would be augmented by grants authorized by this legislation.

The mounting demand for buildings to accommodate even larger enrollments would be met by doubling the amounts previously available under the Higher Education Facilities Act of 1963 for construction programs at the undergraduate and graduate levels.

Every college or university willing to participate would be brought into the mainstream of the life of its community through the federally underwritten offering of community service programs. Welfare, water supply, employment, transportation, housing, public health, patterns of discrimination—all would be treated through courses or conferences or studies directed at those in the community best equipped to deal with them.

These then are the various surgical instruments which the Committee on Education and Labor has devised to remove the tumor of stagnation from higher education in America. We could not have developed them without the untiring efforts of Congresswoman EDITH GREEN and her colleagues on the Special Subcommittee on Education. For 15 days they heard and examined numerous witnesses here and in Chicago. The extent and scope of this bill is the best monument to their endeavor.

That the solutions we are searching for are not around the corner, that revitalizing and reinforcing higher education will be an arduous, long-term task, is no excuse for not trying. Inch by inch or, in the case of this bill, yard by yard, we shall move forward the cause of higher education in accordance with our democratic ideals.

In so doing, we provide all of our children the increased opportunity to acquire knowledge and skills at a college or university reasonably endowed with books to peruse, buildings in which to study, and teachers to admire in the educational cathedral of the Great Society.

Mr. Chairman, I yield to the distinguished gentlewoman from Oregon [Mrs. GREEN] such time as she may consume.

(Mrs. GREEN of Oregon asked and was given permission to revise and extend her remarks.)

Mrs. GREEN of Oregon. Mr. Chair-

man, first of all, I thank the distinguished chairman of the Committee on Education and Labor of the House of Representatives for his most generous comments and remarks and also say to him that without the assistance of all of the members of the subcommittee, it would have been impossible to bring this legislation to the floor of the House today.

Mr. Chairman, on both sides of the aisle was a great deal of time and energy and effort that went into the writing of this legislation. It is my judgment that the full Committee on Education and Labor is bringing to the House a bill that is worthy of your support and that will, as the chairman has so very accurately and eloquently described, make educational opportunities available to thousands of students that do not have them today.

Mr. Chairman, this bill, if passed, will strengthen institutions of higher education and it will also help to expand educational programs, both new and old.

Mr. Chairman, may I go into a little detail on the various titles of the bill and the reasons for this particular legislation. May I first of all call your attention to the situation to which the chairman of the committee referred, the spiraling enrollments in our institutions of higher education.

Mr. Chairman, in 1954, just 10 years ago, or 11 years ago, we had 2.4 million students in our colleges and universities. In 1964, a decade later, we had 4.8 million students.

By 1770, we will have almost 7 million students and by 1973, we will have 8 million students in institutions of higher education.

Mr. Chairman, may I also call your attention to the tremendous increase in the number of institutions themselves. There has been an increase of 250 percent since World War II. At that time we had 866 colleges and universities. Today we have over 2,200.

Mr. Chairman, the chairman of the Committee on Education and Labor again accurately referred to the spiraling costs of college and the fact that it is impossible for a family of modest means to send their children to the college of their choice. So the needs today are in terms of college instruction, in terms of library facilities, in terms of library books, and materials, and in terms of qualified instructional personnel at all institutions across the country.

Mr. Chairman, since one of the most important provisions of this bill has to do with the urban colleges, it is also, I believe, well to point out the fact that 70 percent of the American people live in urban areas. During the 1950's the net immigration into the cities was 8 million and at the same time 85 percent of the total population increase in the country occurred in these urban centers.

Mr. Chairman, this has created, of course, major problems. So there is great need for the city college to do for the urban population what the land grant college has done for the rural population of this country.

There is also a great need for continuing education. We are told that a busi-

ness executive requires the equivalent of a college degree or a college education every 10 years just to stay ahead of his business competitors.

Also, we are well aware of the fact that military officers of the United States plan, and they do spend a great part of their adult lives at colleges and universities in order to keep abreast of the changing conditions. It is equally important that the civilian leaders participate in continuing educational programs.

Mr. Chairman, just as society has a stake in the adequate provision of a balanced program for the education of the young, so it has a very vital stake in the provision of a balanced program of continuing education for the adult population.

Title I of the bill is designed to assist in establishing community service programs at our colleges and universities. As I said a moment ago, the Morrill Act has done a great deal in basic research, irrigation, animal husbandry, farm economics. So the urban college can and should carry on programs in basic research in urban affairs—land use, house zoning, mass transit, recreation, health and labor management relations, race relations, water pollution and air pollution. But no program supported under this program could be undertaken unless it is consistent with the overall objectives of the college or university. The State institution or agency that would design a State plan, would be representative of the institution of higher education in the State.

The enormity of the needs of American communities, both urban and suburban, in solving their social and civic problems was stressed by all witnesses. Thus we have provided for a \$50 million authorization for title I. These funds would be distributed on a matching basis, with the Federal Government providing 75 percent of the funds the first year, and 50 percent thereafter.

Title II would provide for a program to strengthen college libraries. We were told that 50 percent of the libraries in 4-year institutions, and 80 percent of the libraries in 2-year institutions are inadequate. There has been a decline in the number of library books per student because of increased enrollment. Also, enrollment has increased faster than student expenditures for books. Statistics presented to the committee indicated that an estimated \$226 million is needed merely to adequately stock the shelves of our universities with the books necessary for the present student and faculty population. We have approved this title in the bill, but we do not provide \$226 million, rather, we provide \$50 million for the first year.

I might also call your attention to the fact that the number of books has nearly doubled between 1958 and 1963. The committee was also told that of all the scientific knowledge that has ever been introduced since the dawn of history, over 50 percent has been published since the year 1950. I think this portrays this explosion of knowledge. Any inadequacies in library facilities and resources affect the education of 5 million students and the teaching of 350,000 faculty

members. We also provide in title II \$15 million for the training of library personnel.

The title contains one other very important feature, \$5 million will be made available to the Library of Congress to assist the Library in cataloging books. We did this after consultation with the chairman of the House Committee on Administration under whose jurisdiction this would normally fall. The Library of Congress is behind in the cataloging of some books. They do not purchase and catalog all of the foreign books that are used by research libraries. If the libraries throughout the country, the State and local public libraries included, were to obtain up-to-date catalog card service it would save many, many times the \$5 million we are authorizing. This provision will facilitate a centralized cataloging facility in the Library of Congress which will satisfactorily serve the needs of our libraries for prompt cataloging service. The cost involved is small when compared with the economies and benefits to be derived.

Title III, as the chairman indicated, is designed to strengthen developing institutions. The subcommittee is very, very much concerned about the quality of education as well as the quantity of education.

The number of institutions, as I indicated a moment ago, has increased 250 percent since the war. There is evidence that 10 percent of the 2,200 institutions today have not met the minimum standards of academic quality required for accreditation. In some instances the quality is so questionable that the Commissioner of Education advised our subcommittee that many students are now finishing high school with more advanced information than is taught in some of the small and developing colleges. This is really a startling statement, in a country that in placing such great emphasis on the quality of education and academic excellence. This lack of quality must not be any longer disregarded. We cannot abandon the needs of the poorer colleges because as enrollments increase, we need more and more institutions. Thus we must make every effort to improve existing institutions.

Mr. Chairman, we therefore make provision in this bill for support of cooperative programs so that established institutions can share their strength and possibly exchange faculty and students with developing institutions.

Title III is to upgrade the small, inadequately financed, struggling college. For this purpose we provide \$30 million. We do not have State allocations because the number of developing institutions varies from State to State and some States the number is much greater than in others. The title also provides for a National Teaching Fellowship Program which is designed to bring bright and promising junior faculty members and graduate students to developing institutions.

Title IV pertains to student assistance. With the tremendously increased cost in education and with the great manpower needs of this country, the subcommittee

is recommending that we make it possible for the exceptionally needy student with promise to attend college.

Costs at private colleges have increased 40 percent since 1954.

Costs at public colleges and universities have increased 30 percent since 1954. And there is no relief in sight. In fact the estimate is that during this next decade there will be an increase of 50 percent in college costs.

Today I think it is important to know that of male students in families that have incomes of less than \$3,000 and who are in the top 10 percent of the class, only 10 percent of that income group do not go to college and of the girls in the top 10 percent of the class and who come from families with less than \$3,000 income, 33 percent are not able to go to college. All of the studies have indicated that financial need is one of the most important reasons why qualified students do not attend college. This is a loss that I think this Nation cannot afford. Higher education I am sure the majority of the Members of this House would agree should not be reserved for the wealthy but should be available to the qualified young man or young woman whether the youth comes from a family that is rich or from a family that is poor. But if that student wants a college education and is willing to work for it, then the opportunity to go to college should be available to any such young man or young woman.

The burgeoning costs of higher education have already priced baccalaureate and doctoral degrees completely out of the market for many families.

We have provided for a very flexible program of student assistance. In this legislation we really provide for three different types of student aid. There is proposed in part A a new program of educational opportunity grants for exceptionally needy college students. We provide that any college or university may set aside 25 percent of their annual National Defense Education Act Federal contribution to the Title II loan program for making educational opportunity grants to those students who are most needy and who would not be able to go to college if it were not for the educational opportunity grant. These students also must show academic or creative promise. No grant may exceed \$800.

There is a second part of the program which provides for guaranteed student loan programs. This is designed primarily for those students who come from middle-income families—those students who have not up to this time been able to obtain loans under the National Defense Education Act.

I say to the Members in all honesty that the subcommittee is really concerned about students from middle-income families. We feel that they are suffering the pinch probably more than any other group in the United States today. If a person has an average income and has two or three youngsters who are in colleges or universities at the same time, there is an almost impossible drain on family resources. As part of this provision the Federal Government

will pay part of the interest rate on the student loans which will be made by commercial lenders.

There is a third part of the program. The college work-study program is being transferred from the Office of Economic Opportunity to the Office of Education. We have also liberalized the terms of the work-study program so that it is not just designed for those students who are in the poverty group. Students who come from the middle-income families, but who need additional financial assistance, will now qualify under the work-study program and thus be able to earn part of their way through college.

The next part of the program has to do with facilities for higher education. Two years ago we enacted the Higher Education Facilities Act. The amendments to this act providing for increased authorizations have full bipartisan support and, if I were setting priorities, they would have the highest priority. I believe if we were to address the college presidents and administrators and ask them what they needed the most it would be Federal funds to provide classrooms, libraries, and laboratories so that they will be able to adequately accommodate the increasing college enrollments. The needs are well documented. May I read parts of a few recent news articles:

From the Christian Science Monitor, July 21, 1965:

U.S. COLLEGES BRACE FOR CRUSH

A record \$14 billion ought to be spent on higher education construction in the next 5 years to keep pace with the need, according to Statistician Vance Grant, of the U.S. Office of Education. In the past, supply has generally lagged behind demand at a rate of about \$700 million worth of buildings a year. The gap is likely to continue.

From the University of Colorado News Service, August 6, 1965:

Summer session enrollment in all divisions of the University of Colorado totals 13,896 students, an increase of 1,302 over last year.

From the Baltimore Sun, July 1, 1965:

Two of the State colleges already have put up "house full" signs for the fall and have had to turn away would-be students.

From the California State Colleges, June 29, 1965:

College officials estimate some 4,000 students who plan to enter the 17 campuses in the fall may not be admitted under the limitation order.

From the University of Bridgeport, July 9, 1965:

More than 7,100 students have applied for admission to the entering class in the 1965-66 academic year beginning in September. The entering class will be limited to about 1,400 students, due, in part, to the shortage of residence hall facilities currently available.

We therefore propose and recommend to the House that the funds both for construction of undergraduate and graduate facilities be doubled. This was originally a recommendation made by the ranking minority member of the subcommittee. It is my understanding that later an amendment will be offered, which has bipartisan support, to delete the categorical limitation on the types of buildings that may be constructed with assistance under the act.

Reference has been made to title VI of the bill by the gentleman from Ohio. Prior to the session today I had a discussion with the chairman of the Committee on House Administration, the very distinguished gentleman from Texas [Mr. BURLESON].

May I say to the Members of the House that we had one purpose in approving title VI of this bill. It was to point up the tremendous numbers of advisory committees which are available to the executive branch of the Government and the lack of such assistance to the legislative branch. It was our feeling that if we were able to call upon the experts in the field of education and have them when we were actually drafting legislation we would be able to do a better job. It would also make it possible for the legislative branch to be more independent of the executive branch in drafting new proposals.

So these points, briefly, Mr. Chairman—I suppose not too briefly—cover the provisions in the legislation which the committee brings to the House on a bipartisan basis for your consideration and we hope for your approval.

Mr. BURLESON. Mr. Chairman, will the gentleman yield?

Mrs. GREEN of Oregon. I am glad to yield to the gentleman from Texas.

Mr. BURLESON. The gentleman referred to our discussion about title VI of the bill. I want to assure her that I have an understanding of the problem, as she explained it. It is a worthy concern, I know, because other committees experience the same thing.

I did not hear the colloquy between the gentleman from Ohio and the chairman of the committee, but I did understand that perhaps it was tentatively agreed this title may be dropped.

Mr. POWELL. We permanently agreed to it.

Mr. BURLESON. I am sorry I did not hear the exchange of views on this matter. I can assure you, having that sort of understanding, I shall be glad to take an interest, when the interest is such and the needs are determined, to try to work out an agreeable arrangement on this particular item, if it is dropped from the bill.

Mrs. GREEN of Oregon. I thank the gentleman from Texas [Mr. BURLESON], the chairman of the committee, for his understanding of the problem and his willingness and, in fact, his desire to cooperate in solving it.

Mr. QUIE. Mr. Chairman, I yield myself such time as I may consume.

(Mr. QUIE asked and was given permission to revise and extend his remarks.)

Mr. QUIE. Mr. Chairman, I support this legislation and I do it because I think it will provide some significant additions to the Federal programs which we already have designed to strengthen higher education and to broaden the opportunity for students in higher education so that they may be able to receive an education beyond high school.

At the same time, I sincerely hope that the House will give serious attention to amendments that will be proposed. Since H.R. 9567 will pass the House with

substantial bipartisan support, and will certainly be enacted, we should not overlook any opportunity to improve the legislation.

Our colleges and universities are a vital and fundamental national resource. Federal programs exert a profound and growing influence on these institutions, and we have a grave responsibility to assure that this influence is in all respects a constructive one. This is one field in which it is far better to do nothing at all than to do the wrong thing, or to do the right thing in the wrong way.

Fortunately, the Special Subcommittee on Education, which had charge of this bill, under the chairmanship of the gentlewoman from Oregon, has always approached its work carefully. Certainly, the gentlewoman from Oregon has a commanding knowledge of Federal legislation affecting higher education, and an integrity of purpose worthy of our highest respect. The bill reflects this in being considerably improved over earlier versions.

It is true I have reservations and the minority has reservations about some parts of this bill. If we were to write it by ourselves, we would do it differently. However, we cannot write legislation by ourselves. We do it in cooperation and we hope it is in cooperation with the majority.

I should start my comments out by referring to the minority views. To give you the background again of what happened, the subcommittee under the very able chairmanship of the gentlewoman from Oregon [Mrs. GREEN] went thoroughly into this legislation. We had grave questions about the way the general extension title was written, but with the help of the testimony that we received and the work in the subcommittee I think we developed a much more acceptable title. We all were enthusiastic about title II, the library section of the bill. Then the other sections gave us a little more trouble. When we first considered this bill in the full committee we took the entire morning session working on it. As a result, the full committee knocked out scholarships. They felt the scholarship section which we had written in the subcommittee and the scholarship section which had been sent up by the administration were unacceptable. So the full committee knocked it out. We then went back as a subcommittee, however, informally, and developed the scholarship section you have before you today.

Some people in this House believe in scholarships and support any kind of scholarships that will be offered. Others have opposed scholarships. But if you can support any scholarship at all, I think this is the best one that has been developed to date. This is the best scholarship section that has been provided to this Congress up to this time. Why the majority party on the full committee then chose in a few minutes, in a special meeting at 3 o'clock in the afternoon, to rush this legislation through, in an area where there has always been minority cooperation, I do not know. They did not do this in the minimum wage legislation. I say this, to the great

credit of the gentleman from California [Mr. ROOSEVELT] that in regard to this extremely controversial legislation where the minority has been less prone to go along with the extreme changes in the Fair Labor Standards Act, than they are on this bill, we had ample time and we took more than 1 day to go over the changes in the Fair Labor Standards Act. Despite the fact that the minority is less prone to support the Fair Labor Standards Act changes that came out of the committee than they are this bill, they all feel they were fairly treated. We were given ample opportunity to present our amendments. We were not only given a chance to express our views, but I would say courteously respected for our views, but that did not happen with this bill. It was rushed through in less than 20 minutes. There are parts of this bill which the members of the full committee did not know were in it.

They had never considered, when the bill was before the committee, insured loans. I believe that the bill now carries an unacceptable version of insured loans. We will be able to change that on the floor, I hope, by an amendment that either the gentlewoman from Oregon [Mrs. GREEN] or the gentleman from Indiana [Mr. BRADEN] will offer, one or the other, which will make some very important corrections. This should have been done in the full committee.

Another provision that is in the bill and that has already been referred to is title VI, the Special Advisory Committee for the Committee on Education and Labor, provision for another Special Advisory Committee for the Commissioner of Education was originally in the bill sent up by the administration, but we felt that he had had about enough, and it was about time, as an independent branch of the Government, that the Congress ought to do some thorough studies.

As I recall, when we put in the bill this provision for a Special Advisory Committee for the House Committee on Education and Labor, we expected it to come before the full committee and be debated and discussed and probably dropped, but at least we would have before us the need for the kind of study that we ought to make in as complex and important an area as education. But this was not done.

Now we hear that some Members did not even know that this was in the bill.

Mr. Chairman, this is not the way the Committee on Education and Labor ought to operate. This committee has reported out more bills in the last Congress of significant importance than any other committee of the House. The same thing is happening in this Congress. This is one of the most important committees in the Congress and it will be in the future, judging by the amount of Federal aid now that goes for education, to say nothing of labor legislation.

We bring to you the situation as set out in the minority views so that the Members of the House will know what happened. As a result the majority members have the responsibility of conducting the affairs of that committee so they may in the future give ample opportunity to work out current issues on

legislation, and so that at least we might know what is in the bill when it is reported.

The members of the subcommittee know what is in the bill, but not all the others knew when it is reported with that speed.

Mr. GRIFFIN. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Michigan.

Mr. GRIFFIN. Mr. Chairman, I am glad that the gentleman has focused attention on title VI. It is interesting to recall that the full committee adopted title VI as a part of this legislation without any discussion or consideration whatsoever. This was accomplished on that afternoon of June 24 when the famous 3 o'clock meeting was held.

Now, today, without any further discussion, we have heard the chairman of the full committee agree that title VI should be completely stricken from the bill. Of course, it is his privilege to do that. But it is a very interesting way of legislating.

Mr. QUIE. I thank the gentleman for his contribution.

Mr. POWELL. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield.

Mr. POWELL. We could hire consultants any time we wanted to by going to the committee that is chaired by the gentleman from Texas [Mr. BURLISON].

Mr. QUIE. The gentleman from New York makes the point that we can at any time hire consultants by going through the House Administration Committee, through its chairman, the gentleman from Texas [Mr. BURLISON], which is true. Undoubtedly we could have come to this conclusion in the committee.

What I am saying is that it degrades our committee to have to come before this House and say that we are going to drop this section from the bill. We should have done this in the committee, if we had had the time in the committee to do it.

Mr. POWELL. This does not degrade the committee any more than when you gentlemen on the other side of the aisle offer a substitute that we have never seen before.

Mr. QUIE. Every Member has the opportunity and the right to offer substitutes and amendments which no one else has seen before, as long as he gets it up to the Clerk in writing.

And even though the Clerk may not be able to read it too well, this is the right of every member of the committee, and he hopes that because of his powers of persuasion he can get his amendment adopted.

Mr. Chairman, the way title VI has been handled is poor legislating. I believe more important than each individual Member is the dignity and respect of a great committee of the Congress and the Education and Labor Committee will be handling more and more important legislation.

Relatively few people have any idea of the enormity of the Federal impact upon higher education. The total Federal investment this year will exceed \$2 billion by a considerable amount, and for the first time the Federal investment

exceeds the combined total of all of our States, although they are directly responsible for our State universities and colleges. About one-half of this annual investment is in the form of research grants, but an increasing percentage of the total is in contributions to faculty support, student aid, support for graduate education and facilities construction. The research grants, also, contain funds for equipment, faculty salaries, graduate assistants, facilities and overhead costs.

The very size of this commitment to higher education entails some danger, and it would be extremely unwise of us to ignore that fact. The danger is not so much that our independent institutions will fall under the control of Federal bureaucrats, but that the unintended effects of any unwise Federal action will have such widespread effects. There is the further danger that duplicate Federal programs, spread through many Federal agencies, will create both confusion of purpose and conflicting results. There is already considerable evidence that this is happening in the multitude of programs administered by dozens of agencies under legislation handled by several committees of the Congress.

We must take special care that the Federal Government does not become the principal arena of competing academic interests which properly should be balanced by individual institutions. When Federal funds are directed to specific categories of instruction or other activity, those areas are favored also in the disposition of institutional funds, and it is not useful for us to maintain the fiction that such choices do not intrude upon academic decisions. Our problem is to keep such intrusions to the absolute minimum.

There is no way to avoid unwarranted Federal interference in higher education if we fail to define adequately the Federal role in financing higher education. As long as we follow the route of having a large number of special programs designed to deal with specific problems—the so-called categorical approach to Federal aid—there should be some hard criteria for determining which problems get attention. As things now stand, we tend to finance every good cause as it is brought to our attention, usually by an effective lobbying effort. The wheel that squeaks loudest gets greased with Federal funds. If our criteria for Federal financing are only that the activity is desirable and requires additional funds there is no way to limit Federal involvement, because such criteria are meaningless.

There would be disagreement as to whether a particular program met such criteria, but it would be very helpful to recognize and use firm guidelines for Federal action. Only then could we shape a coherent, consistent, and orderly Federal policy in financing higher education.

Even with such a policy, however, we would have to be careful not to permit Federal preemption of certain responsibilities. In no circumstance should we replace the traditional sources of financial support for colleges and universities; on the contrary, we should provide

every reasonable encouragement to increase the level of support from those sources.

H.R. 9567 contains new and increased authorizations amounting to \$662 million in the first fiscal year. This is a very substantial increase in Federal funding of higher education, although nearly one-half of it—\$290 million—is for urgently needed grant money in the Higher Education Facilities Act of 1963. The remaining funds are for university extension work in urban problems, library resources and personnel, programs to strengthen weaker institutions, and for increased student financial aid in the form of scholarships and Federal participation in student loan insurance programs.

Obviously, all of these purposes are not equally important; some may not meet the criteria I have suggested for Federal aid. My main concern at this point is to assure that the programs should be as effective as possible, and a number of problems already have been resolved by the subcommittee. However, this bill does need further attention.

It is my understanding that committee amendments to title IV will be proposed which would have the effect of putting direct Federal insurance of student loans on a standby basis, to be utilized only if the institutions in a particular State have no reasonable access to a State or private insurance program. I think these amendments are vital, because they will eliminate the likelihood that Federal loan insurance would preempt the field and drive out State and private participation.

Mr. Chairman, if we handle legislation in the fashion as we did in the full committee, so that the wisdom and consideration of the members not on the subcommittee is not brought to bear on the legislation, I believe it compounds the dangers. It is now necessary for the House to accept substantive amendments to the bill. You know as well as I do, with 435 Members of the House of Representatives, we are unable in this short period of time to give the kind of deliberation and study and debate which is possible in the full committees of the Congress.

Mr. ROBISON. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I shall be happy to yield to the gentleman from New York.

Mr. ROBISON. The gentleman from Minnesota is raising a very valid point.

It seems to me that we also have a more immediate problem that the committee has touched upon in its report on page 6, where, with reference to the community service program, the committee states its wish not to encourage competition between institutions of higher learning and other so-called systems and so on with respect to adult basic education, job retraining, vocational education, and other programs, and then, going on, the report mentions the fact that the committee does not want to commit and finance a duplication of effort, in that certain educational programs are already eligible for support under the Economic Opportunity Act, the Manpower Development and Training Act, the Housing

Act, and through the Agricultural Extension Service.

Mr. Chairman, I suppose there are other programs here, but what is the committee doing, or what could the committee do in the opinion of the gentleman from Minnesota to look further into this immediate problem of duplication of effort at all levels actually in the field of education where we are putting structure upon structure so that there is overlapping and duplication?

Mr. QUIE. I would say to the gentleman from New York that one of the things we ought to do in the House is seriously consider whether we ought to split this Committee on Education and Labor into two committees, so that one committee handles labor problems and the other committee handles educational problems, and all educational matters from other committees be referred to that education committee.

Now, there is overlapping and duplication, because, for instance, the Surgeon General is handling educational matters in the life sciences. Cooperative extension is heard before the Committee on Agriculture, the Committee on Banking and Currency comes in with legislation affecting college housing, and construction of housing at colleges, and there are some of these same principles and precedents which carry into others and bring duplication into the matter.

Mr. Chairman, I believe one of the things we also could do is to organize a joint committee. I believe there is a necessity for a joint committee on education for the same reasons that we have a Joint Economic Committee.

Lastly, unless there has been a great improvement in the operation of the Office of Education compared to the time when we made a study which has been known around here as the Green study of the Federal Government's involvement in education, unless there is a great improvement in the Office of Education they need to appraise themselves of what is being done. We at that time could not find out what was happening in education. I think there should be more coordination. It would help to prevent duplication if the Office of Education would simply publish such information.

Mr. ROBISON. I thank the gentleman.

Mr. QUIE. Going into the various titles of the bill, let me point out that in title I the only reservation I have, really, is that State agencies probably will be administering the program in each State. I think it would be wiser if the State would designate a single university which would have the responsibility of directing the program. This has been done in cooperative extension where one institution is responsible. It is very well accepted. The general extension, if it is divided in all colleges in the State, with the promise to spread out with 90 percent financing, could easily duplicate effort in the States themselves in the same way that the gentleman from New York just referred to in the Federal Government's effort. The State agency would be influenced by political considerations much more than an institution itself. We have the experience of a specific institution. I

had intended to offer an amendment to require that each State set this up through one of its educational institutions, but with the authority in the bill as it is, each State could set it up in this way, and I think they would do that.

I am supporting much of this legislation, probably all of it, the effort toward solving the suburban and urban problems the excellent and tremendous piece of legislation that title II embraces, the improvement of library services, and I might say in the balance of the humanities with the sciences, that the laboratory of the humanities is in the library, and its assistance made available in all academic facilities is going to bring great improvement in these facilities available to the students who are engaged in the study of the humanities.

In connection with the developing institutions, that title is not drawn as concisely as I believe it should be to define our intent and purposes. I have confidence from the testimony I heard in subcommittee, however, that this will be used to reach developing institutions with specific assistance and institutions of higher learning that already have achieved a degree of academic excellence will be able to do it more easily with this help. This is a stimulus that should be given to the developing institutions, and I hope will enable them to go forward.

I am supporting the legislation because I have confidence it will enable them to achieve a greater degree of academic excellence than they have presently, and in some instances, this is pretty low.

In connection with the economic opportunity grant provision, and I might say that is a better name than nonreimbursable loans that you remember from another year, these grants will be tied into the National Defense Education Act program, and will be administered by the colleges and universities. There is no one who is more capable of handling scholarship money than the institutions themselves. I have confidence that those who are not engaging in scholarship programs will develop the know-how to handle this program. It is better than the forgiveness feature of the present National Defense Education Act loan program and let us remember that both are actually grants.

I think it is unwise for the Federal Government to induce people to go into a particular occupation as though that occupation were more important than other occupations. It is true that the teaching profession is one of the most important occupations we have in the country, but for a person who is not in school or who does not have children in school he may look at other professions as most important to him. So I hope we can soon repeal National Defense Education Act loan forgiveness for teachers and concentrate on these grants. Every young person that we can induce to go to school beyond high school is not only an advantage to his family and to his community but to the entire United States. It also helps anyone who cannot achieve the kind of training he receives in higher education to remove one additional person from competition with himself who would be seek-

ing his less skilled job if it was not for the college training.

So I believe this scholarship section will bring more needy students to college than the loan forgiveness, and as we have drawn it will achieve the purpose of reaching the extremely needy student. I especially approve of the language we left in the bill which will require institutions of higher learning which uses this economic opportunity grant money to go to the secondary schools and try to reach these young people before they are in the 11th grade. It is well proven from the testimony before our subcommittee that you cannot wait to help a young person after he has graduated from high school. In fact it should have been done earlier either in the junior or senior year. By the 10th grade the students make their commitments to the stream that they will follow, whether they will go to college or not. That is the time where the extremely needy students should be given the confidence that they will have some money available for higher education.

The University of Minnesota has had experience on this now where they make a commitment to a high school student in the sophomore year, the advisers in high school designate the students who are extremely needy but have the ability to go on to college and they will make their commitment at that time on the word of the officials in a high school that they will stand behind this student with economic aid.

I wish it would be possible to remove the NDEA loan forgiveness. I recognize the House today would not do it, but I can assure you I will continue to work toward that end. Toward the day that we can find agreement in the Committee on Education and Labor to drop the forgiveness feature of the National Defense Education Act loan. I hope the experience under the economic opportunity grants in this bill will be such that we can then say in another year that no longer do we need the forgiveness feature of National Defense Education Act loans.

Mr. Chairman, as the minority views state, we find the present provisions of the student loan insurance program provided in part B of title IV unacceptable. A compromise, however, has been worked out between the American Bankers' Association and the Office of Education which, I understand, has the support of the majority. We believe that this compromise version of part B of title IV is superior to the present provisions of that section, and if the majority will support these changes for the better the minority will also. The amendment's objectives are these:

First. The central objective of part B of title IV is to make loan insurance available to any college student who needs to borrow.

It is also the purpose of part B to encourage State and private nonprofit programs. Loan insurance will be furnished by such programs—to the exclusion of a Federal program where the Commissioner finds they are equipped to do the job.

In the event such programs are unable to do the job the Federal insurance

program would then come into operation, and would function to the extent State and private nonprofit programs fail to cover the field. The Federal Government would not directly insure student loans in any State where it is determined that every eligible institution in that State has reasonable access to a State or private nonprofit program which meets the standards set forth in the legislation.

Second. It would be the intent under part B that the Commissioner give all the cooperation and assistance he can to State and private nonprofit programs, so that these programs can, in fact, make loan insurance available to students in that State who wish to use it. This assistance would include appropriate monetary advances—provided in section 422 of H.R. 9567—to State and private nonprofit programs. The bill authorizes monetary advances totaling \$17.5 million to State or private programs. In connection with these advances, United Student Aid Funds, Inc., the leading private nonprofit loan insurance program, does not collect insurance premiums from borrowers. It maintains a reserve fund under which banks are lending at a ratio of $12\frac{1}{2}$ to 1—that is, for every \$1 in the reserve fund, at least \$12.50 is made available in loans by the lending banks. Part of this reserve fund has been made up by deposits by participating colleges. While this legislation would not expressly require that any college make such a deposit, colleges should be encouraged to participate wherever they can, because better than anyone else the college can appreciate the requirements of its own students and the extent to which student borrowing can help meet those requirements.

Also, in view of the Federal advances, private nonprofit programs would be able to cover the loan needs of students at all eligible institutions in a State—those institutions which were participating in such programs prior to this legislation, as well as all others.

Third. Should a situation develop where in any State, no loan insurance program—either State or private—is open to every eligible institution, the Commissioner would directly insure loans made to those students who do not have reasonable access to programs meeting the standards set out in the legislation.

In the event the Commissioner should find it necessary to activate the Federal insurance program in any State, he would deactivate that program whenever in his opinion the State and private nonprofit efforts were able to meet all loan insurance demands in that State.

Fourth. Under this legislation, in order that the Federal program would not become operative in a particular State, every eligible institution—as defined in the bill—in that State must have reasonable access to a State or private nonprofit program. The individual student would thereby have access to loan insurance through the institution he attends. If he does have this access, through his institution, then the Federal program would not come into operation.

Fifth. Since one of the prime purposes

of this legislation is to encourage the growth of State and private nonprofit programs, the Commissioner—in determining when an institution had “reasonable access”—would use his good offices wherever appropriate to assist State and private nonprofit programs to reach agreements with eligible institutions.

Sixth. Before the beginning of any school year, the Commissioner would determine: first, whether a State has a program adequate to cover all students; and second, if there is no State program, or a State program which did not cover everybody, then whether a private nonprofit program was equipped to fill the gap.

In answering these questions, the Commissioner would make certain that both State and private nonprofit programs had been given all appropriate support and cooperation, including the monetary advances under section 422. If, with or without these monetary advances, the Commissioner determined that they were covering everybody, then he would not issue Federal certificates of insurance.

Seventh. In connection with his determination of whether these State or private nonprofit programs were able to cover the field in any State, the Commissioner would negotiate agreements with such programs under section 428(b). Under these agreements, the State or private nonprofit programs would meet the standards specified in that section.

Eighth. The interest cost subsidy would be paid on behalf of the borrower irrespective of the guarantor's identity—Federal, State or private. However, there would be a 2-year lag during which the non-Federal programs would conform to Federal standards—and in this conforming period no borrower under any program would be disqualified if he were otherwise eligible for the interest cost subsidy.

Ninth. With respect to monetary advances under section 422, these could be made in a given State to both State and private nonprofit programs. Often these programs supplement one another—as in Virginia where the State program now insures loans only to Virginia residents at State-supported institutions, and the private nonprofit programs now offer their services—through the schools—to all others.

Tenth. This program would make certain that adequate loan insurance is available to any college-age student in any State—but this coverage would be achieved in several different ways:

A State or private nonprofit program for that State might insure loans for residents of that State, regardless of where they go to college. Thus, as long as a student from such State attended an eligible institution—as defined in the bill—he would be covered. New York and Maryland are typical of this example, and Maryland operates its plan through the facilities of United Student Aid Funds.

Other States—Virginia, for example—may have a plan which insures loans for residents of that State attending State-supported schools within that

State. Under such an arrangement, the private nonprofit plans would insure loans for:

First. State residents attending out-of-State schools.

Second. Out-of-State residents attending State-supported schools within that State.

Third. All students, residents of that State and otherwise, who attend schools within the State which are not supported by the State.

Under arrangements like those set out above, or any other combination of arrangements, the private nonprofit programs under this legislation would fill any gap in the coverage of a State program. Typically, States will insure loans only for their own residents—Michigan is currently an exception to this. Therefore, it is likely that in a great many States the Commissioner will have agreements with both State and private nonprofit programs. Under the legislation he would be authorized to make monetary advances to both. He would, of course, not make these advances in a manner to provide overlapping coverage for the same students.

The CHAIRMAN. The Chair recognizes the gentlewoman from Oregon [Mrs. GREEN].

Mrs. GREEN of Oregon. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. BRADEMAS].

(Mr. BRADEMAS asked and was given permission to revise and extend his remarks.)

Mr. BRADEMAS. Mr. Chairman, the legislation we are considering this afternoon can fairly be described I think as another important building block in the edifice of education that is being constructed by this Congress and which we began to construct in the last Congress.

I think great tribute indeed is due to the distinguished author of this bill, the gentlewoman from Oregon [Mrs. GREEN] who by her effective championship of this legislation has chalked up I think one more notch in her gun, if I may mix my metaphors, in improving the facilities and resources of American education.

Mr. Chairman, I think it is fair, however, that we commend our colleagues on both sides of the aisle for the hard work they have done in trying to write a sound and intelligent higher education bill.

I want to say at the outset of my remarks just one word about title VI of the original bill which had originally been intended to establish an Advisory Council on Higher Education for members of our committee. I was very encouraged by the colloquy between the chairman of our committee, the gentleman from New York [Mr. POWELL], and the chairman of the House Committee on Administration, the gentleman from Texas [Mr. BURLESON], to the effect that the House Committee on Administration would consider that proposal later on in the House Administration Committee.

We are criticized a great deal here in the House, at times, for being rubber stamps for the administration. It seems to me that if the Congress of the United States is going to be able effectively to fulfill its obligation to be a creative and initiating part of the Government of the

United States—which I believe it should—we need to equip ourselves as adequately as we can with access to intelligence and expertise. The way the situation is now the Executive Branch of the Government has most of the money and authority to do that job. Title VI was an expression on the part of the Members of the committee of our desire to get into the legislative act a little more effectively.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. BRADEMAS. I am glad to yield to the gentleman from Minnesota.

Mr. QUIE. I believe the gentleman is correct. I hope, when title VI is dropped, that we will not drop the whole idea there but will go to the chairman of the Committee on House Administration and pursue this further.

The gentleman well remembers the advisory committee on higher education, of which he was the Chairman and on which I served. We did actually utilize panels of experts. As a result, we not only wrote a report of which we are proud but also I believe we showed clearly, in our own minds, the need for experts from outside of Congress and from outside of Government to assist us.

Also, I believe it did make it possible for those people to communicate with themselves and with us. As a result I believe the higher education community itself was strengthened.

Mr. BRADEMAS. I thank the gentleman for his observations. I hope the members of our subcommittee can press for the establishment of some kind of council of the kind contemplated in title VI.

Mr. Chairman, the gentlewoman from Oregon [Mrs. GREEN] has already explained the major provisions of this legislation. I should like to take a few moments to address myself to two particular titles of the bill.

First, I wish to speak in support of title I, the community services programs title of the bill. The objective of this title is to enable our colleges and universities to be able to respond to the demands of communities in which they are located, particularly urban and suburban communities.

The gentlewoman from Oregon [Mrs. GREEN] pointed out that we have been seeing in recent years in our country an increasing trend away from the countryside to the cities. Title I is a reflection of this increasing urbanization of American life.

This title authorizes \$50 million in fiscal year 1966, for the first year of a 5-year program of grants to States to support community service programs at institutions of higher education, programs specifically designed to help seek a solution to urban and suburban problems, such as, for example, seminars to train welfare and public health case-workers.

I call to the attention of the Members of the Committee the language in the report on page 6 which sets forth the kinds of programs the committee feels should be supported under this title and the kinds of programs which we do not feel should be supported.

The Federal share of the cost of this title will be 75 percent in fiscal year 1966 and 50 percent thereafter.

We all know, Mr. Chairman—and especially the distinguished chairman of the committee at this point, Mr. VANIK, of Cleveland—is very much aware of the fact that our urban populations are rapidly swelling and bringing with them grave problems of traffic control, zoning, water and air pollution, juvenile delinquency, unemployment, housing and race relations—all problems which we must resolve if we are to continue as a vital Nation.

It is precisely to assist our colleges and universities help in the solution of such suburban and urban communities that title I is addressed.

I have in front of me some comments on this title of the Higher Education Act by the distinguished president of Purdue University, a great land-grant university in my own State, Dr. Fred Hovde, who was chairman of president-elect Kennedy's task force on education some years ago. Says President Hovde in support of title I:

Purdue University has an active and vigorous extension program. In the populated cities, however, this consists almost entirely of organized classes for which young people and adults pay tuition. These courses, mostly occupationally oriented, are minimally supported by State funds. Purdue will continue to develop and enlarge this phase of extension activity.

Beyond this, there are two important extension dimensions in which classroom activity per se is not the key factor. These are (1) bringing the university's experience to bear on the solution of social problems and (2) causing the university to function as a catalyst in helping local communities and groups to solve their own problems. The university has long performed these functions for rural citizens and for farm-centered problems. The result is accomplished, in part, by freeing members of the agricultural faculty from teaching and research responsibilities so that they may engage * * * in this type of field work.

There is a need to build bridges between the university and communities, urban and suburban, in the way that the university has traditionally functioned with individuals in rural areas.

Mr. Chairman, I want to say a word in my remaining time about title IV. I think this is an extraordinarily important title of this bill and it ought to be considered as a package. Title IV is an effort on the part of our committee to provide a comprehensive package of Federal assistance which will enable colleges and universities in our country to respond to the individual financial needs of students from differing family incomes.

The package is composed of three organic parts. Let me speak first of the educational opportunity grants. I may say that I think the gentleman from Minnesota [Mr. QUIE] has presented most eloquently the reasons it is important for us to be sure to retain the educational opportunity grant feature of this bill. This is the way in which we will be able to do something about the needs of students from families of exceptionally low income. We now have under the Office of Economic Opportunity in the war on poverty authorization

for Operation Head Start programs for preschool children from exceptionally poor families. Under title I of the Elementary and Secondary Education Act of 1965, which was offered by the gentleman from Kentucky [Mr. PERKINS], we will spend just over \$1 billion to provide improved educational opportunities in elementary and secondary schools for children from extremely low income families. Yet we have not done anything to help students from very poor families who want to go on to college. Therefore, the educational opportunity grant feature of title IV is an effort to complete the spectrum of assistance to improve educational opportunities for the very poor in our country.

I call the attention of the members of the Committee to the language on page 22 of the report in which there is cited a study by the American Council on Education of some 8,000 scholarship winners in 65 of the leading colleges and universities in our country. I think it is instructive to note that only 1,264 of these scholarships went to young people from families with incomes of under \$5,000. On the other hand, nearly 5,000 of the scholarship winners came from families with incomes over \$7,000 a year.

Here on my right is a chart which I think points up the kind of problem we are trying to take care of in title IV. You will notice the spiraling increase in the cost of college education during the last several decades and the fact that the cost of a college education in both public and private institutions is certainly going to increase. This chart to which I also call your attention shows the percentages of male high school graduates who did not enter college within a year after completing grade 12. You can see that in the top 25 percent of the class academically that over 18 percent of the male high school graduates whose family incomes were less than \$3,000 did not enter college. But note the contrast with students also in the top 25 percent of their classes but whose family incomes were \$12,000 and up, and you will see that only 6.3 percent of them did not enter college. As you review the chart, you can see that there is almost a straight line correlation between your family income in this country and your prospects of getting into college.

The CHAIRMAN. The time of the gentleman has expired.

Mrs. GREEN of Oregon. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. BRADEMAS. I thank the gentlewoman for yielding me the additional time.

I also wish to call the attention of the Members of the Committee to the statement on page 23 of the report in which the distinguished president of the University of Wisconsin, Dr. Fred H. Hartington, points out as follows:

This "educational opportunity grant" program * * * is an integral part of the whole effort to help the disadvantaged get into the mainstream of American life. It puts the responsibility squarely on our colleges and universities to seek out those capable or potentially capable of handling college work, and work out with them a way of making college financially possible. It is not a lux-

ury program or a gift program or anything of the sort, but an educational opportunity program.

Once again, to quote my friend from Minnesota [Mr. QUAIL], this is the best scholarship program that has been brought before Congress. One reason why I do not like to use the word "scholarship," quite frankly, is that the word normally conjures up the idea of first class academic achievement, while many of the kinds of students we seek to assist by means of the educational opportunity grant come from slum areas of the United States in which they simply would not be able, due to the cultural and social deprivation in which they live, to compete as effectively on academic type tests as would students from middle income families.

Mr. Chairman, the other part of the bill—and the gentlewoman from Oregon has spoken very eloquently about it—that I think is particularly important is part B, which provides for programs of insured low-interest loans to students. I should like to say a word about this provision.

We have been exceedingly aware in our committee of the great importance of trying to help middle-income families meet the costs of higher education. When I was in college there were four children in my family all in college at the same time. This was a considerable burden on my mother and father. I speak therefore, from personal experience about the importance of doing something for middle-income families in the United States.

If you will examine the report very carefully you will see that we are able—by means of a Federal insurance program of commercial loans, analogous to FHA insurance of housing loans—with a very modest amount of money, to make possible a vast expansion of the loan funds available from commercial lenders to college students in the United States.

In conclusion, Mr. Chairman, I want to say that I think this is a carefully drafted and carefully conceived bill. It is a bipartisan bill. I think its passage will do much to strengthen the enterprise of education in the United States.

Mr. Chairman, I include at this point in the RECORD a series of questions and answers concerning title IV, part B, of H.R. 9567, the title providing for Federal, State, and private programs of low-interest insured loans to students in institutions of higher learning:

Question. What is the practical effect of these amendments?

Answer. They make certain that every college student who wants to borrow money for his education will have the opportunity to do so under an insured loan program.

Question. How will this loan insurance be provided?

Answer. By State and private nonprofit insurance programs operating under agreements with the Commissioner of Education, or by a Federal program where the State or private programs may prove to be inadequate.

It is anticipated that State and private nonprofit programs can meet every need for insured loans. However, should they be

unable to meet the demand in any State, then the Federal insurance program would be activated in that State to make certain the demand would be met.

In this sense, the Federal insurance program established in this bill is a stand-by program only. It will operate only where the Commissioner of Education finds that in a particular area neither the State nor private nonprofit programs are able to do the whole job.

Question. How would the Commissioner determine that they were not able to do the whole job?

Answer. He would have to be satisfied that every eligible institution in a State had access to comprehensive State or private nonprofit programs of loan insurance. Students attending these institutions will derive their access to non-Federal programs through their schools. (The bill in section 701 provides a very broad description of an eligible institution of higher education. It includes junior colleges as well as 4-year schools.)

If all these schools did not have reasonable access to State or private non-profit programs, then such programs would obviously not have done the whole job—and to the extent they had failed, the Federal program could be promptly activated to fill the gap.

Question. Who will make the loans?

Answer. Private lending institutions. The bill in section 434(b) defines an eligible lender to include any financial or credit institution subject to examination and supervision by any State or by the United States. It will, of course, include the thousands of commercial banks throughout the Nation, many of whom are now making higher education loans to students under established State and private nonprofit guaranty programs.

Question. Would this legislation assist State and private nonprofit guaranty programs?

Answer. Yes. It provides for monetary advances totaling \$17.5 million over a 3-year period. The Commissioner is authorized to make advances from this fund to both State and private nonprofit programs.

In addition to monetary advances, the amendments also contemplate that the Commissioner will give whatever other cooperation and assistance his office can render. Obviously, the Commissioner and his staff would be available for advice and counsel so that these non-Federal programs might draw on the experience and expertise of the Office of Education.

Question. Could the monetary advances under the bill be available to more than one program in a particular State?

Answer. Yes. In many instances established State programs may not cover all students at every eligible institution. For example, they might cover only residents of that State. Or they might cover only those in tax-supported schools. In such cases, private nonprofit programs would supplement the coverage of the State program. The Commissioner is therefore authorized to make these monetary advances to all such programs in a State.

Question. Do these amendments prescribe any standards which must be met in order that a State or private nonprofit program can qualify for monetary advances?

Answer. Yes. Section 422, in providing for monetary advances, specifies that they may be made to State or private nonprofit programs with which the Commissioner has an agreement pursuant to section 423. Section 423 sets out standards—such as the amount of insurance authorized under a program, the terms of repayment, etc.

The bill also provides a 2-year transitional period for State and private nonprofit programs to meet this bill's standards for interest cost payments on behalf of individual borrowers.

Question. Do these amendments otherwise affect the proposal for a Federal part payment of the interest cost on student loans?

Answer. No. The interest cost subsidy is applicable to all borrowers, irrespective of the guarantor's identity.

Question. What rate of interest may be charged?

Answer. Interest shall be at a yearly rate not in excess of 6 percent on the unpaid principal balance of the loan.

Question. When must the student begin repaying the loan?

Answer. After he graduates, or otherwise ceases to be a student. There is no payment while he is in school.

Question. Will loans be insured for all students, including freshmen?

Answer. Yes.

Question. What evidence do we have that State and private programs will be able to meet the demand for insured loans?

Answer. These non-Federal programs have grown at a spectacular rate in the few years of their existence. For example, in 1963, loans insured by the major State and private programs trebled those of 1962. There was another threefold increase from 1963 to 1964. In 1965, loans guaranteed under State and private programs are expected to exceed \$300 million, and may be in excess of \$400 million. With this rate of growth there is every reason to be confident—particularly with the added stimulus of Federal monetary advances under this bill—that State and private programs will be able to do the job.

There has been a most commendable effort by State and private agencies in meeting a pressing national need. Instead of discouraging and possibly displacing these efforts by an active and competing Federal program, this legislation encourages and fosters even greater non-Federal effort. It does this by making certain that State and private programs get the chance to meet all demands before any Federal insurance is issued.

Question. If a student fails to pay when his loan becomes due, what efforts will be made to collect from him before turning to the guarantor?

Answer. On these loans no security is required, but some States require an endorser on this type of transaction by a minor. However, even where local law requires an endorsement (and this would normally be a parent), the lending institutions will not move against the endorser in event of default. Lending banks take all ordinary steps, except legal action, to secure repayment from the borrower himself, before turning to the insuring agency for the defaulted payment. In short, we do not envision the lending banks turning to the insurer for payment merely because the borrower becomes delinquent in a few installments.

Mr. GROSS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Eighty-four Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 251]

Andrews,	Hollifield	Ryan
George W.	Hull	Senner
Bandstra	Kee	Sisk
Bolling	Kluczynski	Springer
Bonner	Kornegay	Steed
Cabell	Lindsay	Thomas
Cahill	Madden	Thompson, N.J.
Corman	Miller	Toll
Cramer	Morse	Udall
Dickinson	O'Neill, Mass.	Walker, Miss.
Edmondson	Powell	Whitten
Erlenborn	Rhodes, Ariz.	Wright
Griffin	Rogers, Tex.	
Hansen, Idaho	Rumsfeld	

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. VANIK, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 9567 and finding itself without a quorum he had directed the roll to be called, when 390 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. GRIFFIN].

Mr. GRIFFIN. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. GUBSER].

[Mr. GUBSER asked and was given permission to extend his remarks at this point in the RECORD.]

Mr. GUBSER. Mr. Chairman, it is now 10 minutes after 3 p.m. Since almost 1 hour of general debate remains and several amendments will be considered under the 5-minute rule, it is obvious that we will not reach a vote on the pending legislation until 5:30 or 6 p.m.

I have an urgent commitment which will require that I leave the Chamber no later than 4:30 p.m. in order to catch a plane, and it probably will not be possible for me to be present when the vote is taken.

Therefore, I have requested this time, Mr. Chairman, for the purpose of expressing my strong support for this bill. I always have felt that higher education is a most deserving area for Federal financial assistance. Higher education is truly interstate in character since students are attracted across State lines and after graduation are dispersed over the entire Nation. The knowledge they acquire while students in our universities and colleges is our most treasured national asset.

It probably will be true that there will be features in this bill as it finally passes the House which I would like to see changed, but I learned long ago that in that parliamentary process no man can expect every bill to be perfection as he sees it. This is a good bill; it is in the national interest and will go far to improve the education offered by our institutions of higher learning.

I realize that this measure will pass with a substantial majority. However, I do regret that I shall not have the satisfaction of casting my vote in favor of it.

Mr. GRIFFIN. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois [Mr. ANDERSON].

[Mr. ANDERSON of Illinois asked and was given permission to extend his remarks at this point in the RECORD.]

Mr. ANDERSON of Illinois. Mr. Chairman, it is not without some reservations that I rise in support of this bill for higher education. There are some features in this bill which I feel do not represent the best approach to a solution of the problems facing American higher education. But the beneficial aspects of this bill far outweigh the bad.

At a time when the costs of obtaining a college education are rapidly skyrocketing we must act to keep that goal within the realm of possibility for all aspiring to it. This year the average total cost per student to attend a public college or university is \$1,560. By the year 1980, it is estimated that the cost will have risen to \$2,400. The challenge presented by these rising costs must be met at all levels of public and private endeavor. We in the Congress cannot shirk our responsibility in dealing with this challenge.

I am greatly dismayed that the drafters of this bill have not seen fit to incorporate a system of income tax credit relief for students and their families into this legislation. I have fought a long and hard battle for such a system, as have many of my colleagues, and we plan to continue in our efforts until a victory is won. Under the tax credit relief system, low and middle income bracket taxpayers will be allowed to apply the expenses of tuition, books, fees, and supplies against the income tax liability itself. This would truly be a victory for these who are hardest hit by the costs of college—the students and those who support them.

But despite the glaring omission of a tax credit relief system, this bill does provide badly needed assistance in other areas. One of these areas is the college library. Although the library is the actual heart of any college, 52 percent of our 4-year schools and 82 percent of our 2-year institutions fall below minimum standards. This bill will pump blood back into that heart by providing basic grants to colleges and universities for the purchase of books, periodicals, documents, and related library materials and aids. Additional grants will be given to train librarians for college and university libraries. This too is an area in which there is currently a great demand.

I am also greatly pleased with the expansion of existing student loan programs that are being administered under Federal, State, and private auspices. These programs have proven in the past to be quite successful and are fiscally sound. However, their scope is limited. Present programs are restricted to only the neediest students. A more comprehensive program that would cover all who have a legitimate need is badly needed at this time. The Higher Education Act of 1965 will make this possible. This bill will enable States to strengthen their own student loan programs. Through this legislation, Federal moneys will go to States to bolster their loan program reserve funds. My own State of Illinois is eligible to receive \$903,811. Since the amount is determined on the basis of a State's population between the ages of 18 and 22, my State will rank fifth in this particular program.

In concluding, permit me to restate my belief that in some respects this bill goes too far, while in other areas it is deficient. But despite all this, it is basically good legislation because it is badly needed legislation.

Mr. GRIFFIN. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I wish to join my colleague the gentleman from Minnesota [Mr. QUIE], in paying tribute to the gentlewoman from Oregon, the chairwoman of the subcommittee which handled this bill, and also to the other members of the subcommittee who worked on this legislation. I believe that the subcommittee did a good job.

I wish to say at the outset that I approve most of the titles and the provisions of this bill. By and large it is a good bill and I shall support it. However, I shall direct attention to some areas of the bill that need amendment. In particular I wish to emphasize my support for the library assistance that is in this bill.

Most of the Members on the Republican side of the aisle over the years have supported some degree of Federal aid in the area of higher education. We have recognized that there is a legitimate role for the Federal Government to play in the field of higher education.

The major question that I have with respect to this bill, although it is not the only question, is whether or not scholarships are justified and should be approved as provided in this bill.

To be sure, as has been pointed out, they are labeled and termed "opportunity grants." They are tied to the National Defense Education Act student loan program. But nevertheless they are Federal scholarships. I would concede, even as I criticize, that of all the scholarship programs that have been presented to the House this is probably the best one. But the same issues, the same basic issues that have been discussed and debated before about the advisability of scholarships are before us again in this bill.

I think the Members should be aware that in its wisdom the full committee at one point in its deliberations struck out the scholarship provisions in this bill. Obviously, a goodly number of Democratic colleagues were opposed to scholarships or that could not have been accomplished in the full committee.

In considering the advisability of scholarships, we ought to keep in mind that we now have a very successful loan program that has been operating since 1958. Part of my concern about adopting a scholarship program has to do with the impact and the relationship that a scholarship program will have on a very successful ongoing loan program.

During the 7 years' operation of the National Defense Education Act loan program over \$500 million has been loaned to more than 600,000 students who have needed financial assistance to go to college. In this fiscal year the Federal contributions to the loan funds will run to \$190 million.

In a day when so much legislation is initiated at the White House and is rubber stamped by the Congress, it is interesting to look back at the development of the loan program in the National Defense Education Act. That program was initiated and developed in the House Committee on Education and Labor.

Even the Eisenhower administration had not advocated the loan program. This successful program was conceived

in our committee, and it has been successful beyond the reasonable anticipation of those who voted for it in 1958.

In deciding whether we should now adopt a scholarship program, we ought to consider the effect of this legislation on the loan program.

As the result of an amendment which was adopted in the Senate back in 1958, those who go into teaching are able to have up to 50 percent of their loan forgiven, if they teach for 5 years. Accordingly, in the teaching field, to some extent, we now have a scholarship program.

There has been considerable testimony, Mr. Chairman, from the academic community raising serious doubts as to whether or not forgiveness is a desirable feature. It tends to channel people into the field of education who have no business being there. Furthermore, it has had some effect upon the willingness of others to repay their loan. It should not be surprising that one person might hesitate to repay 100 percent of a loan when someone else who goes into teaching is required to repay 50 percent of his loan.

Mr. Chairman, if this scholarship program is adopted, it is possible that a student who receives both a scholarship and a loan and then goes into teaching will have up to 75 percent of his financial assistance forgiven.

Mr. Chairman, how equitable is this going to be? Are there going to be situations where students with the same financial needs will be treated differently?

Without any question, there will be inequities. If a student goes to one college he may have taxpayers' money handed to him which he will not have to repay. On the other hand, a student who is just as needy and who happens to be at a different college may have to repay a loan.

Mr. Chairman, when we consider the need for scholarships, I believe we ought to keep the facts in perspective. For example, we had before us a little while ago a chart indicating the percentage of high school graduates from families with incomes of less than \$3,000 who go on to college. No, the chart indicated the percentage of those graduates who do not go on to college. For example, the chart indicated that from among the students who graduate in the top 10 percent of their class and come from families of \$3,000 income, 10 percent do not go to college within 1 year after graduation.

I do not say we should not be concerned, but I think we ought to keep the facts in perspective. Some of those students went into the Army and that is the reason they did not go to college within 1 year after graduation. But 90 percent of the students did go to college—90 percent of the graduates who came from families with an income of less than \$3,000, and graduated in the top 10 percent, did go on to college. That is an astounding and a very encouraging fact.

Let us look at the top 25 percent of the graduating classes, and look at those who come from families with less than \$3,000 a year. Eighteen percent of those graduates do not go on to college.

Mr. BRADEMAS. Mr. Chairman, will the gentleman yield?

Mr. GRIFFIN. I yield to the gentleman from Indiana.

Mr. BRADEMAS. I think the gentleman has not given a complete picture of what these charts were designed to show. He failed to point out that the figure with respect to family income students, where the family income is \$12,000, and in the top 10 percent, for those who did not go on to college, was 2.9 percent. I think it is important to have in mind the comparative charts. Moreover, I did not have time to cite the figures with respect to percentage of the female high school graduates who did not enter college, and the comparable figures for female high school graduates in the top 10 percent, which is 33 percent, who do not go on to college, whereas only 4.4 percent of the female high school graduates did not go on to college when their family was in the \$12,000 bracket and up. The gentleman can draw his own conclusion on that.

Mr. GRIFFIN. The gentleman is making a valid point. There is a difference which should be recognized and noted as far as the percentages are concerned of those who came from families with less than \$3,000 as compared with those who come from families with an income of more than \$12,000. The difference is not as great as many might think. But there is a difference, it should be noted, and we should be concerned about it.

However, I return to my point. It is still an interesting and encouraging fact that of those who graduate in the top 25 percent of their class and come from families with an income of less than \$3,000, there are 18 percent who do not go on to college, but there are 82 percent who do go on to college. It illustrates to me that we are making a great deal of progress in terms of making the college opportunities available to those in the lower income groups.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. GRIFFIN. I yield to the gentleman from Missouri.

Mr. CURTIS. Would the gentleman care to comment on whether this is not an increasing figure?

Mr. GRIFFIN. Yes.

Mr. CURTIS. The gentleman says 82 percent. As of what date?

Mr. GRIFFIN. I believe the figures used are based on 1962 statistics.

Mr. CURTIS. I have seen the charts. This is an increasing figure, not a decreasing figure, and that is an encouraging aspect, too.

Mr. GRIFFIN. Yes.

Now, I want to ask the question whether we would not be better off to use the \$74 million included in this bill for scholarships by spending it to help construct junior colleges around the country?

Would it not make more sense to use this \$74 million to add it to the higher education facility construction program that we passed a year ago and help communities to develop and expand junior college facilities?

Regardless of how many students we might like to have in college, the plain, cold, hard facts are that the classrooms

are not available. At the present time one must be in the top 25 percent of his class in order to have an opportunity to get into many colleges. Our difficulty is that we just do not have enough facilities. We do not have enough classrooms available. How are we going to solve this problem by handing out scholarship money?

To be sure we have a higher education facility construction program on the books. Furthermore, it is true that this bill would double the authorization for that program. But only 22 percent of those funds go to the construction of 2-year community junior colleges, and I think we are missing the mark when we do not concentrate more money in that area.

In my own State of Michigan, for example, the limited funds available under this program last year benefitted only three of the dozen or more community colleges that have plans for expansion. Only three Michigan junior colleges received funds. One of the reasons for this situation is related to a provision in the existing law, written in by the Senate which requires that at least 40 percent of a project must be financed by the Federal Government under this program.

Mrs. GREEN of Oregon. Mr. Chairman, will the gentleman yield?

Mr. GRIFFIN. I yield to the gentleman.

Mrs. GREEN of Oregon. Mr. Chairman, the original legislation did say that 40 percent should be provided through Federal funds. The gentleman from California [Mr. Moss] I think originally brought this matter to the attention of the subcommittee, that by administrative action it was ruled that it had to be exactly 40 percent. I think the Members of the subcommittee including the gentleman from Michigan agreed that that was not the original congressional intent and that it really was an oversight in the legislation. That is corrected in the language of the bill this year. This unfortunately happened as the gentleman stated in California, and I believe it happened in one or two other States. Many of us felt that this was not the congressional intent in the original law.

Mr. BRADEMAs. Mr. Chairman, will the gentleman yield for one further observation?

Mr. GRIFFIN. I yield to the gentleman.

Mr. BRADEMAs. I agree with what the gentlewoman from Oregon has said. I simply want to express my appreciation to the gentleman from New Jersey [Mr. Howard] who also drew to the attention of the subcommittee this particular problem which I know is of real concern to him and to his State.

Mr. GRIFFIN. Of course, I am grateful that as a result of the interest of the Members who have been named and others that an amendment has been incorporated in this bill which provides that the Federal share may be "up to 40 percent"—but it can be less.

Mr. Chairman, I shall propose, by an amendment at the proper time, that we transfer the \$74 million in this bill for

scholarships to the construction program for junior colleges. I believe there should be much greater emphasis put on that program.

Before my time runs out I should like to focus attention on another title of the bill. I refer to title III, which is described as "Strengthening Developing Institutions."

Our country has been trying for a good many years to strengthen underdeveloped countries. Now we have a program proposed to strengthen underdeveloped institutions of higher education.

It should be noted that this title provides for \$30 million to be handed as a blank check to the Commissioner of Education. No State plan is to be required under this title. The money will not go through the States. The Commissioner will be the one who decides which institutions are "underdeveloped" and he will decide which institutions are to get money, and how much.

I am sure there is some merit in the idea of trying to strengthen some of the so-called "developing" institutions, but I raise a serious question as to whether we want to adopt a title which gives so much flexibility and outright power to one bureaucrat.

If Members will look to page 27 of the bill they will see the definition of the term "developing institution." As we look down through the definition of "developing institution" we find it is almost meaningless. For example, it is an institution which "is making a reasonable effort to improve the quality of its teaching and administrative staffs and of its student services."

What institution is not trying to improve the quality of its teaching and administrative staff?

On page 28, line 1, such an institution "is seriously handicapped in its efforts to improve such staffs and services by lack of financial resources and and a shortage of qualified professional personnel."

How many colleges in this country could we get to admit they had plenty of money and were not seriously handicapped by the lack of adequate personnel?

An institution which "meets such other requirements as the Commissioner may prescribe by regulation."

This is a blank check. We would give to the Commissioner of Education \$30 million to begin with, and I do not know how much after that. He will pick and chose which colleges around the country will receive the funds. How much money? Such amounts as he decides to hand out.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. GRIFFIN. I yield to the gentleman from North Carolina.

Mr. JONAS. Can the gentleman from Michigan tell us whether this is unprecedented? Does the gentleman know of any other program in which the Congress has appropriated to an individual \$30 million a year to do with as he wants without any guidelines and without any effort to require that he give fair consideration to all States?

Mr. GRIFFIN. It seems to me that so far as research contracts and so forth are concerned we are moving into more and more of a direct relationship between the Office of Education and the colleges, but I believe that insofar as support of college programs themselves and institutions of education are concerned, in the past we have always followed the practice of operating through a State plan. The State educational agency would develop its plan. It might have to meet certain criteria set forth in the bill, and it might need to have approval by the Commissioner of Education, but at least it was a State plan and the funds were channeled through the State. Now we are completely departing from that.

I want to call attention to the fact that we do not depart from the State plan approach in title I of the bill, the community service programs, where we are going to help finance the college extension program. There we operate under a State plan in title I, as comparing title I with title III.

At the appropriate time I will offer an amendment to channel the money to title III through the States in accordance with the traditional method of providing Federal aid to this field.

I hope that the amendment will be adopted. At any rate, I want to focus attention upon the defect in that respect.

The other matter I had intended to talk about, title VI, which authorizes the appointment of consultants, apparently has already been dealt with. It is going to be stricken from the bill.

Mr. Chairman, I yield back the balance of my time.

Mrs. GREEN of Oregon. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Kentucky [Mr. PERKINS].

(Mr. PERKINS asked and was given permission to revise and extend his remarks.)

Mr. PERKINS. Mr. Chairman, I rise in support of H.R. 9567, a bill to strengthen the educational resources of our colleges and universities and to provide financial assistance for students in postsecondary and higher education.

This bill represents a major step toward the goal of enabling all Americans to attain the highest level of education commensurate with their desire and their ability for it. Certain provisions in the bill are designed to insure that there be enough institutions of higher learning in this country for the increasing numbers of college-bound students, and other provisions seek to guarantee that our colleges and universities be of sufficiently high caliber to offer quality higher education. Title II aims at upgrading college libraries and library services generally. Title III is designed to strengthen the struggling developing institutions of the country. Title V provides additional funds for the construction of academic facilities by doubling the authorizations for title I and title II of the Higher Education Facilities Act.

All of these sections of the bill, which relate to the improvement in facilities and in quality of the institutions, are of great importance, but at this time I want

to stress what I consider to be the most important aspect of the bill—the provisions relating to the allocation of funds for assisting needy and qualified students to attend a college or university.

We have made great progress in recent years in providing legislation enabling youngsters to go to college through the National Defense Education Act, the Economic Opportunity Act, and other legislation, but there is scarcely a day that passes that I do not receive communications like the following:

RITCHIE, KY.

Congressman CARL D. PERKINS,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN PERKINS: I would like your help if you can give it.

I graduated from Hindman High School in May of this year. I have tried to get jobs of different types to earn money so that I may attend college. I have tried the Youth Corps and others. So far, I have had no luck at all. I really want to further my education. But because my parents are unable to afford the expenses of a college education, I cannot attend.

Please see what you can do to help me so that I can go to college.

Thank you.

Sincerely,

LINDA L. RITCHIE.

These communications are most difficult to answer. You advise these youngsters to make application for a loan with an institution of their own selection, and in addition to the student-loan program, we advise them concerning the work-study program for students attending college, but notwithstanding these programs, thousands of students are being denied the opportunity to enter college. For this reason, I want to take the opportunity to express my personal thanks to President Johnson and the administration for supporting a program of student financial aids which will make the benefits of higher education available to qualified students in need of financial assistance.

Title IV, the student assistance section of the bill, represents the development of a strong and imaginative program which will greatly assist qualified students across the country to receive the benefits of higher education.

College costs in recent years have soared. The cost of attending a public institution in academic year 1964-65 was \$1,560, an increase of 30 percent over the 1954-55 average of \$1,190. The 1970-71 projected figure is \$1,840, which is 20 percent higher than the 1964-65 level. The costs of private higher education have risen at an even faster pace, increasing almost 40 percent from the 1954-55 level of \$1,700 to \$2,370 today. By 1970-71, this figure will have jumped 20 percent to \$2,780. No relief is yet in sight for this college cost spiral, and it is estimated that tuition will rise by another 50 percent in both private and public institutions over the next decade. Thus, the burden of college costs is making it difficult not only for low-income families, but for middle-income families to support their children in a college or university. To cover annual expenses for these students, families must now make cash payments of nearly \$10,000 during a 48-month period. Part B of title IV en-

courages the establishment of State and private loan insurance programs for college students of middle-income families. Advances of not less than \$25,000 per State would be made to establish reserve funds for student loan programs. For the next 3 years an interim Federal program of loan insurance would be established for students who do not have access to equivalent non-Federal programs. The maximum annual insurable loan is \$1,000 for undergraduates and \$2,000 for graduates. A subsidy is proposed for students of families having annual incomes of less than \$15,000. It would be 100 percent of the interest while the student is in college and 3 percentage points thereafter. There would be no interest subsidy for students of families having high incomes, but they could use the insurance program.

Part B thus, will greatly assist both low- and middle-income students in obtaining loans and in enabling the repayment of them. But the section of title IV which I particularly want to emphasize today is the exciting new program of "educational opportunity grants" which is outlined in part A. These opportunity grants will, for the first time, make it possible for high school graduates from the lower income families to attend college as first-class students. The grants are directed to a segment of the population which thus far has been largely excluded from the realm of higher education. Certain figures from the Office of Education which were quoted in the committee report, display quite clearly the degree to which children from poverty-line families are disadvantaged in the opportunity for education because of an inability to meet costs. In terms of aptitude, among the top 50 percent of boys graduated, 37.9 percent of those from families with less than \$3,000 annual income did not enroll in college. The situation for girls is even less equitable. Of the top 50 percent, 57.9 percent of those from families with an income of less than \$3,000 did not enter college. Moreover, in 1960, of the 1,079,000 high school graduates who did not enter college, 42 percent indicated that finances played a role in their decisions not to go. Of these nearly half flatly said they could not afford to consider college at all. Thus it is reasonable to expect that some 217,000 high school graduates who would have liked to continue their education, were prevented from doing so because of financial inability.

Opportunity grants increase the opportunity for a student who must support himself to undertake a college curriculum without having to face an almost overwhelming handicap. Many a student from a low-income family today must work for his living and go to college part time. If he could secure an educational opportunity grant, he could go to college full time and keep work hours within reasonable limits. This proposal permits up to 25 percent of the NDEA loan funds to be used for educational opportunity grants which would make available \$63,325,000 for fiscal year 1966. Assuming an average grant is \$500, this amount will aid approximately 127,000 students from these low-income families.

In 1960, over 200,000 high school graduates flatly said that they could not afford to consider college at all. The 127,000 educational opportunity grants could make it financially possible for a little more than half of that number to enter an institute of higher education. Remembering the average cost of \$1,560, the average \$500 grant would reduce this expense to \$1,060 a year, still a substantial obligation for a family with an income less than \$6,000, particularly if they have more than one college-age child.

Thus, there will be no free ride either for the students and their families, or the institutions they attend. The colleges are required to maintain a level of expenditure for their own student-aid program, and for student employment of not less than their average for the 3 preceding years. The educational opportunity grants at the maximum may not exceed one-half the amount of aid the college finds necessary for a student; in most cases, it will be much less. Since there are more than 4 million college students, the 127,000 educational opportunity grants can only help a relatively small group, but one in the greatest need of financial assistance.

The significance and dramatic impact of the grants can be well demonstrated by what they would mean for my own State. In Kentucky only 1 out of 20 adults are college graduates. The median number of school years completed is 8.7. This lack of education among our citizens is correlated with the low level of family incomes in the State. The average annual family income is \$4,051. Twenty-four and two-tenths percent of the schoolchildren are from families with an annual income below \$2,000. These children presently have little or no chance to attend an institution of higher education. They just could not meet the costs. But educational opportunity grants would give new life and hope to these people. According to the projected figures, Kentucky would receive in fiscal year 1966 under part A, an allotment of \$933,522. Assuming an average grant of \$500, this would mean assistance in 1 year for nearly 2,000 Kentucky young people who otherwise would in all probability not have the opportunity for college attendance. The human worth of these grants for Kentuckians and for all Americans far exceeds their financial costs.

It is our goal to open the opportunity for continued education to every talented and deserving student whose family cannot provide adequate assistance. There are some who feel the amount we provide is much too modest. Nevertheless, it is a beginning. This may mean the difference between getting a college education and not getting one. Too often in our country the poverty and lack of education of parents is descended upon their children. The surest path of escape from this endless, relentless cycle lies through the proposed educational opportunity grants and through the other provisions of title IV. The student assistance offered by this bill can open untold new horizons to hundreds of thousands of young people who otherwise might be completely isolated and alien-

ated from our rapidly changing jet age society. This is, therefore, a crucial piece of legislation and I urge the overwhelming support of Congress for H.R. 9567.

Mr. GRIFFIN. Mr. Chairman, I yield 4 minutes to the gentleman from New York [Mr. REID].

Mr. REID of New York. Mr. Chairman, I rise in strong support of H.R. 9567. I think it represents a very major and important advance in meeting the clear needs of education in this country. Members have already heard our distinguished chairman, the gentlelady from Oregon, discuss some of the broad needs. It is very clear that we are going to have to double our higher educational facilities by 1970 and triple them, approximately, by 1985.

It is very clear that in our cities and suburbs there is a basic need for continuing education and community service programs, and I think any new research that can help solve the problems of the cities and the suburbs with respect to air and water pollution, land use, recreation, transportation, schools, will be extremely important.

In regard to our libraries I think most of us on the subcommittee were shocked to learn that over 50 percent of our 4-year colleges had inadequate library resources and that something like 82 percent of our 2-year colleges were in this same picture. It is very clear that we have to do something here.

Another figure that I would mention to the members of the Committee is the fact that we are falling way behind in terms of the need for librarians. Today in the United States we are only graduating about 3,000 and there is a need of some 125,000 additional librarians.

In terms of the developing institutions we are faced with a 250-percent increase in terms of new colleges that have been created since World War II, but equally with the demands in the 1970's and the 1980's. But again, some of us on the subcommittee were particularly concerned not only about the need of the facilities themselves but the need for quality and excellence in education, in a word, for good teachers.

I believe, Mr. Chairman, title III provides the means for fellowships and grants for brilliant graduate students and professors who can go from a major university to a developing one, and that it will make a significant and creative contribution to the quality of our new and smaller colleges.

Mr. Chairman, in terms of title IV, I think that there is increasingly an element of national policy that this Congress is trying to state—that any qualified American should not be denied the opportunity for a college education by reason of lack of financial means.

I hope the several programs in this title will make a substantive and major contribution to this end.

Finally, Mr. Chairman, title V in doubling Federal funds for the classrooms, laboratories, and libraries, will meet the need which I mentioned earlier of doubling our higher facilities by 1970 and tripling them by 1985.

When I say it will help meet the need, it is addressing itself to the problem,

but I would be less than candid if I did not say that it is only a step in that direction.

Mr. Chairman, we have a horrendous and major problem if we are to develop facilities that are needed. Hence, I would merely say to the Members of the Committee that I think, in the main, this legislation is creative; it will help advance our most precious and important resource—the education and the opportunity of young men and women of America.

Mrs. GREEN of Oregon. Mr. Chairman, I yield 10 minutes to the gentleman from Maryland [Mr. SICKLES].

(Mr. SICKLES asked and was given permission to revise and extend his remarks.)

Mr. SICKLES. Mr. Chairman, I yield to the gentleman from Louisiana [Mr. WAGGONNER].

Mr. WAGGONNER. I thank the gentleman from Maryland for yielding.

I would like at this time to ask a question of either the gentleman in the well or the gentlewoman from Oregon [Mrs. GREEN], who is so capably handling this legislation, in order to clarify a question in my own mind with regard to title III of the legislation which has to do with strengthening developing institutions.

On page 27, section 302, we find a definition of a developing institution. Section 302 says, "As used in this title the term 'developing institution' means a public or nonprofit educational institution in any State which subparagraph (g) says 'meets such other requirements as the Commissioner may prescribe by regulation; and'—would the gentlewoman from Oregon for the purposes of legislative history tell me what is anticipated to be the nature of such regulation?"

Mrs. GREEN of Oregon. Mr. Chairman, will the gentleman yield?

Mr. SICKLES. I yield to the gentlewoman from Oregon.

Mrs. GREEN of Oregon. In section 301, if I may direct the gentleman's attention to that section—the gentleman from Louisiana—the purpose of this title is stated. It is to assist in raising the academic quality of colleges which have the desire and the potential to make a substantial contribution to the higher education resources of our Nation, but which, for financial and other reasons are struggling for survival and are isolated from the main currents of academic life. There is on page 27 a specific description of developing institutions. Subparagraph (e) reads, "is making a reasonable effort to improve the quality of education." Subparagraph (f) reads, "is seriously handicapped in its efforts to improve such staffs and services by lack of financial resources and a shortage of qualified professional personnel."

It was just impossible for the subcommittee to define exactly what we meant by a "developing institution," but we did feel that we were giving the Commissioner sufficient guidelines and flexibility enough so that he could determine by rule and regulation exactly which institutions would qualify.

Mr. WAGGONNER. One more short

question. The gentlewoman's explanation is a very good one, indeed, and I interpret the explanation to mean this would not allow the prescribing of any regulations which would in any way be contradictory of title VII, specifically section 703 or section 704 of the proposed legislation. Am I correct?

Mrs. GREEN of Oregon. The gentleman is absolutely correct. No rules or regulations could possibly be prescribed which would be in contradiction of title VII.

Mr. WAGGONNER. I thank the gentlewoman from Oregon.

Mr. SICKLES. Mr. Chairman, I rise in support of H.R. 9567, a bill to strengthen the educational resources of our colleges and universities and to provide financial assistance for students in postsecondary and higher education.

Our development as a progressive Nation depends in large measure upon the capacity of our colleges and universities to serve the needs of their students, their faculties, and their research workers. Within limits, they also have a responsibility to the community as a whole.

As was stated in the report on this bill:

One of the most outstanding features of contemporary American society is a growing awareness of the value of higher education.

All sections of this bill are important, but at this time I wish to stress those sections relating to the strengthening of college and university library resources and to the construction of both undergraduate and graduate academic facilities.

In fulfilling its responsibilities to its students, faculty, and research workers, the effectiveness of the college or university depends upon the quality and completeness of its book collections, on the competency of its library personnel, and on the adequacy of its library building. Lacks in any one of these elements will hamper seriously the attainment of the goals of an institution of higher education.

Complicating factors in the situation are the 100-percent increase in college enrollment in a 10-year period, 1954-64; a tremendous expansion of knowledge and science; an astounding increase in the number of individual books and periodicals published; the great growth in the number of subject areas in college curriculums; and the huge sums being spent by industry and the Government for research.

In order to meet its responsibilities fully, the college library must not hold its own, but must advance its book collections, its periodicals, audio-visual materials, and related aids.

How well are college libraries meeting these challenges? Fortunately, we have some carefully prepared national standards by which we can measure the attainments or the shortcomings of libraries.

The national minimum standards for libraries of 4-year institutions of higher education and also for 2-year colleges were studied and prepared after long and careful research by librarians from all parts of the country. In its work,

this group consulted with outstanding college presidents and with accrediting associations. Quality of resources, staff, and buildings was stressed.

When the library standards are applied on the national basis, about 50 percent of 4-year colleges do not meet the test for size and quality of the book collections; and three-fourths of the junior colleges do not.

To assist in remedying the deficiencies existing in college and university library collections throughout the United States, this bill under consideration authorizes in part A three different kinds of grants from an appropriation of \$50 million for fiscal 1966 and such sums as the Congress may determine during each of the next 4 succeeding years.

In the first place, there is a basic grant of up to \$5,000 which may be applied for to the Commissioner of Education by each institution, no matter what the size of the enrollment. The institution must not reduce its expenditures for library purposes and must match the grant. The money received may be spent for books, periodicals, documents, magnetic tapes, phonograph records, audiovisual, and other related materials.

Then there is a supplementary grant of \$10 for every full-time student in order that the institution may obtain additional library resources, with particular reference to colleges or combinations of colleges, trying to meet expected increases in enrollments and to improve their collections in size or quality. These grants would aid those colleges which are currently lacking financial resources and are struggling to develop.

Finally, there are the special-purpose grants—the remaining 25 percent after 75 percent for the basic and the supplemental are used. In applying to the Commissioner of Education, the institution must prove a special need for additional library resources, and must show a special regional or national need, or, as a combination of institutions of higher education, needs for special assistance in order to establish joint-use facilities. The grants may be used for books, periodicals, and related library materials.

Along with the provision for improving and expanding library collections, the bill wisely includes authorization of an amount of \$15 million to be used by library schools for the training of librarians and the undertaking of research in librarianship.

This last provision for library schools merely begins to meet the great need for qualified professional librarians that was demonstrated during the hearings conducted by the Special Subcommittee on Education. At present only 3,000 new professionals are being graduated from library schools while a need for 125,000 additional librarians exists to simply meet minimum staffing standards for the greatly expanding school system in this Nation.

It would be incongruous for Congress to assist our Nation's libraries by providing funds for additional resources and staff while ignoring the many antiquated, inadequate, or unsuitable facilities for libraries, as well as the demand for addi-

tional facilities, prompted by a spiralling enrollment necessitating increased facilities for bulging libraries.

The higher education bill will not only assist in meeting the needs for additional library materials and well-qualified personnel. It will also increase the opportunity now being provided for the construction of greatly needed library and other academic facilities by doubling the authorization for the construction of both undergraduate and graduate academic facilities under the Higher Education Facilities Act of 1963. The Facilities Act has already done much toward assisting library construction. To date, there are 170 academic library projects, in various stages of construction, under this act. The total expenditure for these projects is \$384.7 million, of which the Federal share is \$113.2 million. Yet much remains to be done.

The college library is not the only department of the colleges and universities that needs additional facilities. Indeed, the most dramatic and at the same time the most painful demonstration of the shortage of facilities on campuses is the increasing number of qualified students rejected each year by colleges and graduate schools throughout the Nation. The denial of the opportunity of higher education to one student because of a shortage of facilities would be a cause for concern. However, when this one qualified student is multiplied by 7,500 such denials at the University of Illinois, by 25,000 in the State of New Jersey, and by many more thousands throughout the Nation, then there is immediate cause for concern and for action. This problem exists in each State and I have particularly observed the shortage of facilities in my own State of Maryland.

Title V of H.R. 9567 attempts to alleviate this problem by doubling the authorizations both for undergraduate and graduate facilities. It will amend the Higher Education Facilities Act by increasing the authorization under title I—construction of undergraduate academic facilities—from \$230 million to \$460 million in fiscal year 1966 and by increasing the authorization under title II—construction of graduate academic facilities—from \$60 million to \$120 million for fiscal year 1966. Therefore, the total authorization during fiscal 1966 will be \$460 million for title I and \$120 million for title II, a total increase of \$290 million. This is certainly a greatly needed step to enable our Nation's youth to attain the higher education they are seeking, and not be sadly rejected on the basis that there is no room.

Therefore, I am doubly proud to support H.R. 9567 because it provides solid steps toward the solution of college library needs and toward the partial easement of very limited facilities for our institutions of higher education.

Mr. QUIE. Mr. Chairman, I yield 3 minutes to the gentlewoman from Washington [Mrs. May].

(Mrs. MAY asked and was given permission to revise and extend her remarks.)

Mrs. MAY. Mr. Chairman, I rise in support of H.R. 9567. I also should like

to direct my remarks to that portion of the bill which will give increased help for our libraries. I certainly concur with the remarks made by the distinguished gentleman from Maryland [Mr. SICKLES] because I feel that the attainment of the objectives of institutions of higher education depends to a great degree upon the quality and effectiveness of the libraries.

Mr. Chairman, in this period of our history, advances in science, business, culture, and everyday living offer many opportunities to highly trained and educated men and women. To take full advantage of the situation, we must have the highest possible quality of higher education. This program must be planned with foresight, financed with adequate funds, served by a competent faculty, include courses on many subjects suited to the needs of the time, and geared to the research problems of the Nation. The attainment of the objectives of institutions of higher education depends to a great degree upon the quality and effectiveness of the library.

The Higher Education Facilities Act of 1963 is assisting in the building of classrooms, laboratories, and libraries. This bill, H.R. 9567, now before this House, among other things, will help to strengthen and improve the libraries by granting them funds to purchase books, periodicals, documents, and audiovisual aids. The measure will assist also in alleviating a serious shortage of library personnel, estimated at 125,000 for the schools, colleges, public libraries, and other types of libraries.

At the present time, libraries in institutions of higher education are falling well below the minimum percent of the total annual educational and general budget which should go to libraries. The recommended figure in national standards is 5 percent, whereas the average amount actually expended, according to U.S. Office of Education statistics, is only 3.5 percent, and a number of institutions spend less than 1.5 percent.

The colleges and universities in my own State of Washington have been making remarkable progress, but in view of the demands made upon them because of rapidly increasing enrollments and faculty, rising prices and other factors, they still face many gaps. For example, of the 17 4-year institutions of higher education, 10 do not meet the national support standard for their libraries. Out of 12 of the 2-year institutions, 10 spend less than the recommended 5 percent of the total operating budget of the college.

In the matter of book collections, a prime factor in any library service, the figures of inadequacy likewise are distressing. Of the 4-year institutions of higher education in the United States, 50 percent failed to measure up to the accepted minimum standards regarding the number of suitable volumes in their libraries; of the 2-year institutions, 82 percent fell below.

There are a total of 129 libraries in institutions of higher education in the United States containing 300,000 or more volumes. Two of these are in my State.

However, out of 15 of the 4-year institutions with libraries of under 300,000 volumes in Washington State, 14 do not meet standards. In the case of the 2-year institutions, 12 in number, none meet the standards for books.

There has been an acute national shortage of professionally trained librarians for the past 15 or 20 years, affecting all types of libraries, and the demand for librarians continues to exceed the supply. To meet minimum staffing standards for the expanding system of school, public and university libraries, an estimated 125,000 additional librarians are required.

In Washington State, there is likewise a shortage of trained manpower even though we have one of the best accredited library schools in the country at the University of Washington.

This legislation is urgently needed to strengthen the libraries in our institutions of higher education so that they can fulfill their functions in this present age. It will also help train librarians for college, school, and public libraries, the supply of which is distressingly short.

Mr. BELL. Mr. Chairman, I rise in support of H.R. 9567, the Higher Education Act of 1965.

It has always been my position that the most important single weapon in the battle against poverty in this country is education.

At its recent meeting in Minneapolis, the Governors' conference overwhelmingly cited educational needs as the most critical problem confronting the States.

We know this simply from the available statistics.

During the 10-year period between 1954 and 1964, the number of students seeking college degrees climbed from 2.4 to 4.8 million. By 1973 it is estimated that 8 million students will swell our colleges and universities.

The need for more and better facilities is therefore obvious. The challenge is great and immediate. H.R. 9567 is a partial answer to the challenge.

Title I provides authorization for \$50 million to initiate a 5-year program aimed at bringing the focus of university and college resources on urban and suburban community problems.

Title II would authorize \$65 million to strengthen library facilities and training programs among institutions of higher education.

Title III with a \$30 million authorization seeks to raise the academic qualities of developing institutions.

High quality instruction would be made available through teacher fellowship grants and incentive for the sharing of educational resources among colleges and universities would be provided.

Title IV amends the National Defense Education Act of 1958 to increase the act's authorization making funds available for low-interest loans to students.

It would permit higher educational institutions to make educational grants to students during their first year of study and who have exceptional financial needs.

Title V amends the Higher Educational Facilities Act of 1963 to double

the fiscal 1966 authorization under title I of that act—\$460 million would thereby be made available for grants for the construction of undergraduate academic facilities.

We can not afford to hesitate in meeting the Nation's educational needs. We are behind now and there is no indication that the demands will diminish.

This Congress has taken great initiative in the educational field and we must follow through. I, therefore, ask you to join me in supporting this important legislation.

Mr. GRIFFIN. Mr. Chairman, we have no further requests for time.

Mrs. GREEN of Oregon. Mr. Chairman, I yield such time as he may consume to the gentleman from Florida [Mr. GIBBONS].

(Mr. GIBBONS asked and was given permission to revise and extend his remarks.)

Mr. CAREY. Mr. Chairman, will the gentleman yield?

Mr. GIBBONS. I yield to the gentleman from New York.

(Mr. CAREY asked and was given permission to revise and extend his remarks.)

Mr. CAREY. Mr. Chairman, I rise in support of this legislation and pay my usual tribute to the leadership and diligence of our distinguished chairman, the gentlewoman from Oregon [Mrs. GREEN] and all the members of the subcommittee. I express deep regret that the minority views, in the diatribe against the procedures of the committee, do not really reflect the positive contribution made by the minority in the production of the legislation.

I consider this legislation a major step toward our goal of equal educational opportunities for all Americans, regardless of race, religion, or economic circumstance. Specifically, I would like to urge this House to support title I of the bill which authorizes \$50 million to encourage community service programs.

The community service programs in one respect especially, may be compared with the great precedent setting legislation of the past, the Northwest Ordinance, the Land-Grant College Act, the Agricultural Extension Act, the Vocational Education Act, and the National Defense Education Act. These are now recognized as historical milestones of American progress in education.

The purpose of the community service programs is to assist colleges and universities, those that have the desire and ability, in focusing their unique skills and resources on the increasing problems facing communities across the country today.

The problems facing our local governments are not really new. Rapid urbanization since World War II has only made them more acute and much more complex. Among the most acute are problems associated with poverty, administration, recreation, employment, and reemployment, youth opportunities, juvenile delinquency, transportation, and health.

While local governments have made valiant efforts to cope with these problems, we, here in Congress, have enacted

legislation dealing with many of them such as poverty, health, welfare, education, and conservation. However, the Nation's great universities offer a potential source of talent and knowledge, together with research skill and facilities, that remain comparatively untapped. Properly developed and strengthened, they could provide local governments, private organizations, and individuals with the tools to treat their own ills more effectively and without calling on the Federal Government.

For the past two decades we, here in Congress, have done much to make the services of specialists employed by the Federal Government available to State and local governments that need assistance. There has been some hesitation on the part of both Congress and local governments, about the Federal Government entering into the affairs of individual communities because of the limitations imposed by distance and lack of familiarity with local conditions.

Title I will assist institutions with the resources to deal with community problems in making their resources available to communities in which they themselves have an inherent interest.

At the present time, many institutions of higher learning would like to participate in community affairs but are prevented by lack of funds from doing so.

The possible applications of the community service programs in the field of public service will stir your imagination. Equipped with insights gained through the study of history, social development, science, and technology, university personnel could provide invaluable assistance in finding new ways to improve the quality of life in our increasingly complex society.

These services could be made available in two principal fields, in adult education through extension courses, and in cultural, technical, research, and coordination services.

Here are a few examples of programs that colleges might develop:

First, courses for administrative officials in business, government, and education in using data processing equipment and techniques in current management procedures;

Second, a program for training social workers, and also lay volunteers to assist them in tasks not requiring professional training;

Third, conferences for local government officials, educators, and businessmen to thrash out housing, unemployment, and juvenile delinquency problems;

Fourth, regional conferences between local government and industry officials on air and water pollution control;

Fifth, short courses for doctors and nurses from outlying communities to discuss recent advances in medical research and practices;

Sixth, courses for local law enforcement officers to increase their effectiveness and understanding of their function in society; and

Seventh, training in leadership and in program planning for nonprofit voluntary associations and civic groups.

The list of possibilities is as long as the list of community needs.

One major field of public service in which colleges and universities already participate to a considerable extent is that of extension courses. However, enrollment in extension programs has not developed nearly so rapidly as in resident programs because university extension departments are expected to be self-supporting. They have to set tuition costs beyond the means of the very individuals who would benefit from those courses most.

Federal assistance for university community service and extension programs has been thoroughly tested for more than a century. In the historic Morrill Land-Grant College Act of 1862 Congress inaugurated the policy of strengthening community service resources by financing State institutions of higher education.

In 1914, Congress enacted the Smith-Lever Act which focused the community service resources of the Land-Grant institutions on adult education by establishing a Cooperative Extension Service. When the Service was established, the American economy was primarily rural. Thus, the Service was designed to help farm families become more productive. The success of American agriculture, a success beyond the most optimistic expectations, is also the success of the Cooperative Extension Service. New methods, taught by extension, have been a key in developing the most efficient and productive agriculture in the history of man.

The Cooperative Extension Service has been modified to reflect, in some degree, the changes in the American economy. Its operation by the Department of Agriculture, however, limits its effectiveness in dealing with problems facing urban America. And today, more than 70 percent of Americans live in urbanized areas. It is estimated that in 1975, 80 percent of our population will be urban. The changing face of America now requires that this Congress give the same emphasis to the problems of urban and suburban areas that past Congresses have given to the problems of rural America. We must now concern ourselves with a program which will serve urbanized communities.

I think it is fortunate that previous Congresses have set an example with the Land-Grant College Act and the Cooperative Extension Service. The community service program in title I follows in the same tradition. I might add that the program encouraged under title I will complement, not compete with, duplicate, or supplant, the work of the Cooperative Extension Service.

I would like to point out that the program fostered by title I is not entirely the same as that introduced in the administration bill. The Special Subcommittee on Education, under the able chairmanship of the gentlelady from Oregon [Mrs. GREEN], felt that some modification of the administration proposal was necessary to insure the community service program meeting community needs. The subcommittee tightened the language of the title to make clear that the intent of Congress is not

for this program to duplicate the work of the Cooperative Extension Service in rural areas. Language was also added to preclude Federal funds being used on substandard or frivolous courses.

The authorization was raised from \$25 million to \$50 million because it was felt that the potential opportunities the community service program offers would be severely limited if not enough funds were authorized in the original proposal to take a meaningful first step in bringing such a valuable service to the Nation's communities.

The full committee on Education and Labor concurred in the conclusions of the subcommittee without hesitation and almost without dissent.

Personally, I think that this is an example of how we here in Congress can take a proposal from the administration, study it, work with it, and improve it. To those of us who have expressed concern about our abdicating Congress's legislative responsibility, I say this: Take this opportunity to prove our desire to create legislation by approving this title as we wrote it.

TITLE II

In addition, Mr. Chairman, I would like to take this opportunity to lend my support to the Higher Education Act of 1965. I am particularly gratified that this bill, if enacted, would supplement the job we began when we enacted the Higher Education Facilities Act. This progressive measure made possible the construction of libraries for institutions of higher education across the Nation. Today, we need to provide those buildings, and others, with library materials. H.R. 9567 carries an authorization of \$70 million for college library resources, the training of librarians, research in library science, and a centralized cataloging service in the Library of Congress. This bill is brother and companion to the bill I sponsored for elementary school libraries and textbooks which became law on April 11, 1965.

Every member of this body knows the caliber of an institution of higher education is often gaged by the size and quality of its library resources. The great universities of the world have often staked their claim to greatness on the size and quality of their libraries. Even in ancient times, the university at Alexandria, Egypt, was known the world over for its library.

American colleges and universities have tried to build high quality library collections, and have done an admirable job. Although they have been unable to satisfy all of the needs of their advanced scholars, most of these institutions have been able to meet the requirements of the average undergraduate curriculum until the past two decades.

Since the end of World War II, however, there has literally been an explosion of knowledge resulting in a flood of valuable printed materials that college libraries, in order to provide adequate service to the academic community, should acquire, process, and make available to faculty and students. This has proven to be a difficult, if not impossible, task for the libraries of even the wealthiest universities.

A few examples of the volume of printed materials illustrate the staggering burden which libraries must assume:

In the natural sciences alone, there are about 50,000 journals now being issued.

Everyday, 175,000 pages of new material are published, all of which is expected to be available through libraries.

The number of new books published in 1963 was nearly double the number published in 1958.

The number of titles published in the past 50 years is greater than all the titles published in the previous 350 years.

In 1962 alone, 250,000 books were published.

Much of the explosion of knowledge has been in the area of the natural sciences, especially space and aeronautics. However, the expansion of knowledge in the social sciences—history, psychology, sociology—has been breathtaking. Our knowledge of the history of man, for instance, extends back in time more than one-half a million years further than it did in 1900.

Other factors complicate the task of our libraries, the rising cost of books, new technical fields, requiring more library specialists, the increase of graduate students doing research, and the expanding world of scholarship.

One witness testified before the Special Subcommittee on Education that even a modest university library of less than a million volumes must subscribe to about 200 periodicals with annual subscription prices of more than \$100 each. For example the very necessary Chemical Abstract that cost \$60 in 1957, now costs \$700 a year.

Periodical subscription prices have risen 15 percent over the past year. Book prices are up 10 percent. It is estimated that the cost of merely maintaining the present level of book and periodical acquisition will double in the next 6 years.

It used to be considered adequate to acquire library materials in three modern languages—English, French, and German. Now, with the increased importance of nations in all parts of the world, and of material now published behind the Iron Curtain, it is absolutely necessary to acquire books and periodicals in Portuguese, Swedish, Spanish, Italian, and several Asian languages, to say nothing of Russian and Polish. This in turn requires libraries to hire specialists in these languages to process these works.

The need for specialists is not the only personnel problem facing libraries. The growing population, expanding fields of knowledge, and the increase in the number of volumes have created additional pressure for more and better qualified librarians. Without them the efficient use of libraries is limited. The acquisition, processing, and servicing of library resources takes a skilled, knowledgeable staff of trained personnel. Finding enough trained personnel has become a critical problem for all of the Nation's libraries, public as well as university libraries.

The President, in his education message to Congress, stated that we need 100,000 more professional librarians.

This year almost 10,000 positions for trained librarians are unfilled, because qualified personnel were not available. We are now training only 3,000 new librarians every year. This critical shortage is the result of the limited number of library schools. There are only 33 accredited schools of library science in the Nation.

Title II of this bill is designed to correct this critical situation by making more library materials available and by training the librarians to see that the materials are used to best advantage.

Part A of title II authorizes the sum of \$50 million in the first year for grants to colleges or groups of colleges for the purchase of books, periodicals, documents, and related library materials.

From 75 percent of the appropriation, the Commissioner of Education would be authorized to make basic grants of up to \$5,000 to institutions putting up matching funds. From the 75 percent, the Commissioner would also be authorized to make supplemental grants, not to exceed \$10 for each full-time student. In making supplemental grants, the need of particular institutions would be taken into consideration by the Commissioner. But institutions would have to provide assurances that they would maintain expenditures from their own funds at least equal to the average annual amount spent during the previous 2-year period.

Twenty-five percent of the funds appropriated for this section C would be used by the Commissioner to make special grants to institutions that demonstrate a special need for additional library resources, for example, in meeting national or regional requirements in the library and information sciences, or to groups of institutions which need special assistance in establishing joint facilities.

No grant may be made for materials to be used for sectarian instruction, religious worship, or primarily in connection with any part of the program of a school or department of divinity.

A nine-member Advisory Committee on College Library Resources would be established to advise the Commissioner on the administration of this program.

Part B of title II authorizes \$15 million in grants to colleges and universities to train librarians. The grants may be used to help pay the cost of courses and to establish and maintain fellowships or traineeships for those undergoing training.

Under this part the Commissioner also would be authorized to make grants or contracts for institutions of higher education, other public or nonprofit private agencies, and individuals, to conduct research and demonstration projects relating to libraries or training in library science.

The Special Subcommittee on Education heard testimony from specialists broadly representative of the library community. The hearings clearly showed that many libraries could save money they are now spending cataloging new materials if they could buy catalog cards already printed.

After considering suggestions from the universities, the committee added a part C to title II.

Part C authorizes \$5 million to strengthen college and research library resources. These funds would be used by the Librarian of Congress to acquire all library materials of value to scholars currently published throughout the world, and to provide catalog information for these materials as soon as possible.

The Library of Congress has been selling copies of its catalog cards to libraries across the country since 1901. In fiscal year 1964, the Library of Congress sold 52.5 million catalog cards to 17,000 libraries for \$3.8 million, which was returned to the U.S. Treasury. It is estimated that this service saves libraries about \$20 million a year. However, the Library of Congress does not acquire all of the books which university libraries need. Furthermore, staff and facility limitations do not permit libraries to print cards as fast as they are needed, although they spend more than \$18 million a year in the process. A \$5 million investment in the Library of Congress would save the Nation's libraries three or four times that amount, and enable them to keep their card catalogs—without which a library is little more than a warehouse—both complete and up to date.

A library that cannot make its materials readily available, fails to provide the service expected and needed by the community and the Nation.

We can spend millions to help students get to college and to stay there; spend millions more to provide classrooms for their instruction; and train thousands of professors to teach them. But if we fail to make available the latest discoveries published throughout the world, our efforts will have been in vain.

TITLE III—STRENGTHENING DEVELOPING INSTITUTIONS

One of the key features of this bill is title III of H.R. 9567, strengthening developing institutions. To me, this title has the potential of becoming the most important provision of the entire Higher Education Act of 1965. Providing able, needy students with the opportunity to attend college, as proposed in title IV, does not fulfill the Nation's obligation to our youth. More than that, we must provide these students with the opportunity to attend college that will offer a challenge. Not a pumping station to fill the brain with meaningless minutiae, but a place to stretch the mind.

I ask you, Mr. Chairman, and Members of this great body, what memories will college conjure up in the mind of those boys and girls who are forced to attend understaffed, poorly equipped colleges because they cannot afford to go elsewhere, or because the better established colleges say, "Sorry, we have no room."

What good are educational opportunity grants provided for in title IV, and the National Defense Education Act loans, and work-study programs if the recipients can only attend one of the many struggling colleges that are not

even on a par with our better high schools?

This title focuses on those struggling colleges that are least able to meet the new demand for higher education in our highly complex modern society.

We must provide assistance now—

For colleges unable to provide adequately for our rapidly growing enrollment. In the last 10 years, enrollments have doubled and they are expected to double again in the next decade;

For colleges without the personnel or physical equipment to provide an accredited academic program. Almost 10 percent of the colleges which grant baccalaureate or higher degrees have not met accreditation standards;

For colleges without the manpower or expertise to participate fully in other Federal programs. Ninety percent of the money for Federal research grants went to fewer than 100 institutions, and 40 percent went to 10 of those;

For colleges that cannot pay adequate salaries to their faculties. As recently as the 1961–62 academic year, one-fourth of the faculty members in public liberal arts, undergraduate colleges were paid \$6,600 or less.

And for colleges which lack the outside support to meet pressing needs as they arise. One national fund-raising organization was able to raise only \$3 million in a year-long drive for operational funds for 32 struggling colleges, as compared to \$125 million for several others and \$100 million for one large private Eastern university alone.

This is not to say that many small developing colleges are not providing a superior education, for many are. I am sure there are Members of this body who would readily attest to that. But it is to say that as college enrollments and the cost of buildings and equipment continue to spiral, and competition for qualified personnel becomes keener, the condition of the small college with the small endowment and limited operating funds will be growing progressively worse.

Leaders in the education community have recognized that the development of struggling colleges represents an investment in a latent resource that offers boundless possibilities for paying high dividends.

In the last few years, many cooperative programs have been initiated to help meet the needs of these struggling colleges. More than 350 institutions are involved in 47 different kinds of cooperative arrangements. Most of these are financed in part by the institutions themselves, and in part by private foundations.

Arrangements exist between Michigan and Tuskegee Institute, Cornell and Hampton Institute, Brown, and Tougaloo College, to name just a few. But when we consider that the number of American institutions of higher education has grown from 1,686 in 1946 to more than 2,300 today, we realize that these current programs have only begun to meet the pressing problem of colleges unable to cope with the changes ushered in by the 1960's.

With the funds provided under this title, developing institutions would cooperate with stronger colleges to initiate imaginative programs holding promise of strengthening their academic inventories.

Visiting scholars and faculty exchanges could inject new life into the curriculum of these struggling colleges.

Joint use of laboratories and libraries will effect economies, yet result in great educational gains.

National teaching fellowships will encourage highly qualified graduate students to teach at these developing colleges.

The possible programs are as endless as one's imagination. But imagination alone will not suffice to put these proven approaches into the colleges of our Nation.

Reviewing its grant program, the Ford Foundation concluded that a "handful of great universities is not enough to provide the intellectual capital of the American society in the next few decades." Another recent study concluded "there can be no question that unless more 4-year colleges modernize themselves and their curriculums, they will be in danger of death by obsolescence."

I ask the Chairman, and Members of this body, Are we to assign these struggling colleges to the junk heap of mediocrity and with them the development of potential leaders of the space age? Or instead, are we going to invest the funds necessary to build a system that will provide quality education for all those who wish it?

The challenge before us is clear. Title III of this bill will enable us to meet it by strengthening our developing colleges.

Mrs. MINK. Mr. Chairman, will the gentleman yield?

Mr. GIBBONS. I yield to the gentleman from Hawaii.

(Mrs. MINK asked and was given permission to revise and extend her remarks.)

Mrs. MINK. Mr. Chairman, H.R. 9567, the Higher Education Act of 1965, is one of the most vitally needed and well-thought-out bills on a crucial and basic issue that has reached the floor of the House this session.

The bill attacks in a most basic, economical and direct way the problems arising from the incredible expansion of the needs and activities of our institutions of higher education. At the same time, it helps these colleges and universities to move even closer to the main currents of the life of the communities in which they are a vital segment.

To meet this double-barrelled objective, the bill would provide various programs. These are:

First. To encourage colleges and universities to take a major role in solving community problems of cities and their suburbs—one of the major issues of our times.

Second. To upgrade and improve libraries and library services in colleges and universities.

Third. To provide for an increase in high-quality educational facilities by strengthening developing institutions, and by increasing grants for construction.

Fourth. To close a critical gap in the financial resources available to would-be students who are foreclosed, by the lack of finances and the growing expense of a college education, from continuing their education after high school.

Mr. Chairman, the concept of the college as an ivory tower, whose inhabitants withdraw from the world to contemplate matters of little concern to the workaday world is an increasingly fallacious one.

In this day of complex and fast-moving civilization, the need for continual and complete education is basic. Not only does the individual need all the education he can get to compete and fulfill his life, but the community, the Nation and the world need all the well-trained and well-grounded thinkers mankind can provide.

Our colleges and universities have a magnificent tradition of public service in pursuit of these ideals. Their contributions to the thought of the world and the progress of mankind need no recounting here.

Nor do the problems this very success has brought. As the awareness of the value of education has grown, and as the flood of knowledge has increased, our colleges and universities have been engulfed with growing numbers of would-be student and of demands upon their services.

This bill is designed to help meet this problem, to the advantage of individual students and the Nation as a whole.

For the Nation the bill opens up, as I mentioned earlier, a new source of help for a perplexing and rapidly growing problem. It sets up a program under which the intellects and skills of our colleges and universities can apply themselves directly to the myriad problems of our cities and their suburbs. From this program could come dramatic help in solving the dilemmas posed by increasingly large masses of people living in urban areas.

To help in these community programs, the bill calls for a National Advisory Committee on Community Service Programs, which will advise on the preparation of general regulations and on policy matters connected with the program's administration.

For the institutions, themselves, the bill would provide direct help in three primary areas.

One of these basic problems is the widespread lack of adequate library resources—books, librarians, and the machinery needed to get the knowledge contained in the books to the students. The bill provides for grants for acquisition of books, for the training of staff and for research in handling information.

In addition, the bill attacks another basic problem by providing more funds and wider applicability of the Higher Education Facilities Act. It would double grants for the construction of buildings for academic activities.

And thirdly, and perhaps most importantly, it provides the means whereby developing institutions can economically provide themselves with the facilities required to provide an adequate education for increasing numbers of students. These provisions would break the cycle

in which many small institutions find themselves bound—lack of facilities means poor offerings and poor offerings preclude upgrading of facilities.

For the student, the bill provides new and expanded financial assistance programs, as well as an expansion of the Economic Opportunity Act's work-study program. It is a sad commentary, indeed, in this era of unparalleled national prosperity and emphasis on educational opportunity, that hundreds of thousands of promising youngsters cannot find the funds to continue their education past the high school level. There must be no question that any youngster, regardless of his family circumstance has the right to the fullest opportunity to develop his intellect for the good of both himself and the Nation.

Therefore, I am proud and happy to have had a hand in shaping this legislation. I strongly urge my colleagues to support the passage of H.R. 9567, the Higher Education Act of 1965.

Mr. GIBBONS. Mr. Chairman, I merely rise to call the attention of the House to a bipartisan amendment which will be offered, I believe by the gentleman from Minnesota [Mr. QUILL] to change section 106 of the Higher Education Facilities Act of 1963. This is the same amendment I tried to distribute as widely as possible in the House. I believe it has wide bipartisan support.

It will merely conform to the same provision that was approved by the House in 1963. It will have the effect of eliminating the categorical approach to higher education facilities construction. It is a good amendment, and I believe it is now noncontroversial and should be adopted.

Mr. Chairman, it is amazing to me that a bill that has as broad a subject matter and which will so widely affect education in this Nation is as noncontroversial as this bill is. It is a real tribute to the gentleman from Oregon and her quiet, persistent leadership and diligent work in developing this fine piece of legislation.

Along with all of the Members of the House, and particularly the members of her subcommittee, I join in paying tribute to the gentleman from Oregon [Mrs. GREEN].

Now, Mr. Chairman, I would like to discuss some of the provisions of the student assistance provisions of this bill.

What is the practical effect of these amendments? They make certain that every college student who wants to borrow money for his education will have the opportunity to do so under an insured loan program.

How will this loan insurance be provided? Loan insurance will be provided by State and private nonprofit insurance programs operating under agreements with the Commissioner of Education, or by a Federal program where the State or private programs may prove to be inadequate.

It is anticipated that State and private nonprofit programs can meet every need for insured loans. However, should they be unable to meet the demand in any State, then the Federal insurance program would be activated in that State

to make certain the demand would be met.

In this sense, the Federal insurance program established in this bill is a standby program only. It will operate only where the Commissioner of Education finds that in a particular area neither the State nor private nonprofit programs are able to do the whole job. Now, Mr. Chairman, how would the Commissioner determine that they were not able to do the whole job? He would have to be satisfied that every eligible institution in a State had access to comprehensive State or private nonprofit programs of loan insurance. Students attending these institutions will derive their access to non-Federal programs through their schools. The bill in section 701 provides a very broad description of an eligible institution of higher education. It includes junior colleges as well as 4-year schools.

If all these schools did not have reasonable access to State or private nonprofit programs, then such programs would obviously not have done the whole job—and to the extent they had failed, the Federal program could be promptly activated to fill the gap.

The question is asked, Who will make the loans? The answer is private lending institutions. The bill in section 434(b) defines an eligible lender to include any financial or credit institution subject to examination and supervision by any State or by the United States. It will, of course, include the thousands of commercial banks throughout the Nation, many of whom are now making higher education loans to students under established State and private nonprofit guaranty programs.

Would this legislation assist State and private nonprofit guaranty programs? Yes. It provides for monetary advances totaling \$17.5 million over a 3-year period. The Commissioner is authorized to make advances from this fund to both State and private nonprofit programs.

In addition to monetary advances, the amendments also contemplate that the Commissioner will give whatever other cooperation and assistance his Office can render. Obviously, the Commissioner and his staff would be available for advice and counsel so that these non-Federal programs might draw on the experience and expertise of the Office of Education.

Now could the monetary advances under the bill be available to more than one program in a particular State? Yes. In many instances established State programs may not cover all students at every eligible institution. For example, they might cover only residents of that State. Or they might cover only those in tax-supported schools. In such cases, private nonprofit programs would supplement the coverage of the State program. The Commissioner is therefore authorized to make these monetary advances to all such programs in a State.

The next question is, Do these amendments prescribe any standards which must be met in order that a State or private nonprofit program can qualify for monetary advances? Yes. Section

422, in providing for monetary advances, specifies that they may be made to State or private nonprofit programs with which the Commissioner has an agreement pursuant to section 428. Section 428 sets out standards—such as the amount of insurance authorized under a program, the terms of repayment, et cetera.

The bill also provides a 2-year transitional period for State and private nonprofit programs to meet this bill's standards for interest cost payments on behalf of individual borrowers.

Do these amendments otherwise affect the proposal for a Federal part payment of the interest cost on student loans? The answer to this question is "No." The interest cost subsidy is applicable to all borrowers, irrespective of the guarantor's identity.

What rate of interest may be charged? Interest shall be at a yearly rate not in excess of 6 percent on the unpaid principal balance of the loan.

Another question is, When must the student begin repaying the loan? Of course, the answer is after he graduates, or otherwise ceases to be a student. There is no payment while he is in school.

Will loans be insured for all students, including freshmen? Yes, certainly.

Now, what evidence do we have that State and private programs will be able to meet the demand for insured loans? These non-Federal programs have grown at a spectacular rate in the few years of their existence. For example, in 1963 loans insured by the major State and private programs trebled those of 1962. There was another threefold increase from 1963 to 1964. In 1965 loans guaranteed under State and private programs are expected to exceed \$300 million, and may be in excess of \$400 million. With this rate of growth there is every reason to be confident—particularly with the added stimulus of Federal monetary advances under this bill—that State and private programs will be able to do the job.

There has been a most commendable effort by State and private agencies in meeting a pressing national need. Instead of discouraging and possibly displacing these efforts by an active and competing Federal program, this legislation encourages and fosters even greater non-Federal effort. It does this by making certain that State and private programs get the chance to meet all demands before any Federal insurance is issued.

Mr. Chairman, if a student fails to pay when his loan becomes due, what efforts will be made to collect from him before turning to the guarantor? In answering this question it must be borne in mind that on these loans no security is required, but some States require an endorser on this type of transaction by a minor. However, even where local law requires an endorsement and this would normally be a parent, the lending institutions will not necessarily move against the endorser in event of default. Lending banks are expected to take all ordinary steps, including in exceptional cases legal action, to secure repayment from

the borrower himself, before turning to the insuring agency for the defaulted payment. In short, we do not envision the lending banks turning to the insurer for payment merely because the borrower becomes delinquent in a few installments. We expect the lending institution to take every reasonable and good faith effort to collect the funds from the borrower or endorser and that the loan be uncollectable before resort is made to the insurer.

Mr. HOWARD. Mr. Chairman, this past spring New Jersey's public colleges sent out 25,000 letters of rejection to high school seniors seeking admissions. Rutgers University alone was forced to reject 5,600 qualified students. This figure is 25 percent higher than the previous year, and the situation promises to get worse, not better. It is projected that by 1970 there will be approximately 48,000 New Jersey high school graduates wanting to enter college. The urgency of the State's educational situation is reflected in the recent formation of the Citizens Committee for Higher Education in New Jersey, headed by Dr. Robert Goheen, president of Princeton University.

The critical educational situation in my State is not unique. Rather, it is the result of a general failure of our schools to keep pace with the rapid expansion and increasing complexity of our society. Yet as President Johnson has said:

The first work of these times and the first work of our society is education.

Our present educational facilities are not adequate to do this work. There is a need to expand the facilities of our existing colleges and universities and to provide for the development of new institutions in order to meet the increasing demands of greater enrollment; there is a need to improve our libraries in order to accommodate the constantly expanding volume of knowledge which is a product of our society's growth and technological development; there is a need to extend the benefits of higher education to the members of our lower and middle income families by helping them to meet the rapidly rising costs of college.

The bill currently being considered by this body, H.R. 9567, is designed to respond to these needs. Its enactment is vital, not only to my State, but to every State in the Union. For these reasons I urge the adoption of the Higher Education Act of 1965.

Mr. HELSTOSKI. Mr. Chairman, as a former schoolteacher and a high school principal, I am pleased that I may be able to take part in today's debate on providing financial assistance for students in postsecondary and higher educational facilities, and to strengthen the educational resources of our colleges and universities.

This legislation is another measure in which our President is vitally interested and it will put into action the desires he has made public on the issue of higher education.

In this rapidly advancing world of space technology and scientific progress, a high school diploma is no longer a guarantee that its holder will receive, or

even qualify, for a well paying job. The demands for personnel of higher educational background increases daily, but it is just not there. Why? Well, in the first place, the cost of higher education has risen to a point where a capable student just out of high school cannot afford to meet the costs of a higher education. This legislation will extend the opportunity to lower and middle income families to obtain a higher education.

In the second place, the colleges and universities with their present limited facilities are unable to cope with the rapidly expanding desire of high school graduates to enroll in institutions of higher learning. This Higher Education Act will alleviate, to some extent, some of the problems confronting our institutions of higher learning.

Schooling at higher levels is becoming more and more a part of our everyday life. Decades ago a person who desired some type of employment could readily get by with an eighth grade education, then, as time went by, one would have to be a high school graduate; and now, in some instances, a bachelor's degree is not sufficient to obtain proper employment. This is why we must make every effort to provide the means to educate our youth of today to cope with the ever increasing demand for highly educated graduates. This legislation will provide the means for such widening scholastic requirements.

This legislation would also provide the necessary incentive to expand our university libraries. Our universities are judged by the library facilities they can offer to their students. The lack of proper facilities does require a great loss of time to a student in trying to obtain additional information in connection with his studies, when one must go into areas away from the campus for research on the topics being studied.

In expanding our library facilities, we must also provide the necessary personnel to staff these facilities. Without adequate personnel, trained in library work, our universities, our Nation's public libraries and information centers cannot select, catalog, and disseminate the vast amount of information now available in books, periodicals, and independent studies. This legislation will assist in easing this situation.

We can look at education as an inverted triangle. Before one student, at the bottom of this triangle, can be educated we must have a corps of teachers rising to the top of it. It takes many persons to achieve a single result in the education of our youth and this legislation, plus the Elementary and Secondary School Act which we passed earlier in this session will go a long way to educate our youth from the lowest level to the highest.

We cannot regard lightly the lack of proper and adequate educational facilities, for it is my belief that a poorly educated individual is no better off than one without any education. A smattering of knowledge is more dangerous than no knowledge at all. One can readily see that point when we look and see demonstrators advocating some program that they have no knowledge of its

final effect. A thorough understanding of the issues involved would probably create a better atmosphere in the final result of an agreement on the necessity of adopting a program which would satisfy all of those involved in it.

Knowledge is power. And the power we gain from our studies is far greater if obtained in an adequately staffed and equipped college or university. The bill under discussion here today will go a long way in providing the necessary tools to provide a proper education to qualified students who desire to advance their knowledge. I strongly support it and hope that not one vote will be cast against the bill which we need so badly at this time. Only time will tell whether we have gone far enough in this measure, but for the present we should do all within our power to permit our young people to obtain an education, if they so desire.

Mr. ST GERMAIN. Mr. Chairman, I am in favor of H.R. 9567 because it proposes to do something for higher education, the improvement of which is absolutely essential at this critical period of our history. Knowledge has expanded, the number of students has grown tremendously, automation and computers have entered the picture—and many colleges, both old and new, are struggling to meet increasing costs. Today the urgent need is for adult citizens who are educated and trained by vitalized institutions of higher education to face and solve problems of the new era.

A significant factor in the proper functioning of our colleges and universities is the library. This agency must be equipped to serve its clientele from the freshman just entering the environs of the campus to the full professor undertaking his advanced study or research. The library must be adequate in terms of books and periodicals, staff, and buildings.

At the present time, libraries in institutions of higher education are falling well below the minimum percent of the total annual educational and general budget which should go to libraries. The recommended figure in national standards is 5 percent, whereas the average amount actually expended, according to the U.S. Office of Education statistics, is only 3.5 percent, and a number of institutions spend less than 1.5 percent.

The colleges and the universities in my own State of Rhode Island have been making remarkable progress, but in view of the demands made upon them because of rapidly increasing enrollments and faculty, rising prices, and other factors, they still face many gaps. For example, of the 10 4-year institutions of higher education, 5 do not meet the national support standard for their libraries. Rhode Island's only 2-year institution spends less than the recommended 5 percent of the total operating budget of the college.

In the matter of book collections, a prime factor in any library service, the figures of inadequacies likewise are distressing. Of the 4-year institutions of higher education in the United States, 50 percent failed to measure up to the accepted minimum standards regarding

the number of suitable volumes in their libraries; of the 2-year institutions, 82 percent fell below.

There are a total of 129 libraries in institutions of higher education in the United States containing 300,000 or more volumes. One of these is in my State. However, of the nine 4-year institutions with libraries of under 300,000 volumes in Rhode Island, none meets the standards.

In the highly important area of professionally trained librarians we must overcome acute deficiencies which have existed at least since World War II. As the President said in his message on education:

At least 100,000 more professional librarians are needed for service in public libraries and in schools and colleges.

In Rhode Island, there is likewise a shortage of trained manpower even though we have recently established a library school in an effort to improve the situation.

This legislation will help strengthen libraries in our colleges and universities so they can meet the necessary standards of performance in this age in which education is so important. As President Johnson said in proposing this legislation, "higher education is no longer a luxury, but a necessity."

Mr. BOLAND. Mr. Chairman, I rise in favor of H.R. 9567, the Higher Education Act of 1965, to strengthen the educational resources of our colleges and universities and to provide financial assistance for students seeking higher education. The American people recognize the value of higher education as their children clamor at the doors of our colleges and universities.

The phenomenal growth of the college population and the number of institutions are testimony of this awareness. But higher education in the United States is in a most precarious position. The enrollment in our colleges and universities has soared from 2.4 million in 1954 to 4.8 million in 1964, an increase of 100 percent in the past decade. In the next decade enrollments will reach 8 million. The number of higher educational institutions has likewise skyrocketed.

This remarkable growth rate is accompanied by conditions of overcrowded facilities, inadequate library resources, lack of qualified teachers and greatly limited availability of financial assistance to students. Our late beloved President John Fitzgerald Kennedy enumerated these problems in 1963 and President Johnson reiterated them earlier this year in his education message.

The Higher Education Act of 1965 is a valiant response to these urgent needs. By utilizing the invaluable resources of the Nation's universities in community service programs, we can bring dynamic new forces to bear on major community problems. Through a program of cooperative arrangements we can improve the quality of education offered in our developing institutions. In Massachusetts we are pioneers with this new concept of interinstitutional cooperation. Three of our private colleges, Amherst, Mount Holyoke, and Smith are pooling

their resources with the University of Massachusetts to create a new institution, Hampshire College. This unique experiment with private college-public university cooperation will enable students to attend basic courses at Hampshire but expensive, specialized courses at the participating institutions, all located within a 10-mile radius. In this way cooperation strengthens the individual institutions and at the same time provides lower cost, high quality education.

In addition to such cooperative programs the act provides another means of strengthening our developing colleges. Through a national teaching fellowship program we can attract promising young teachers to these institutions. Their presence can revitalize the faculties, upgrade the courses of instruction, and promote higher quality education. A program of fellowships can make it financially possible.

Through the Higher Education Act of 1965 we can also hope to help raise to minimum standards the library collections of 73 percent of our 4-year institutions and of 91 percent of our 2-year institutions. This glaring inadequacy increases with college enrollments. A program of grants can enable institutions of higher education to acquire necessary library materials and to train highly qualified librarians desperately needed at all levels of education.

Overwhelming as these requirements are, improved quality of higher education is useless if it is beyond the reach of our students. The spiraling costs of education make college an impossibility for a great many. As a result, almost half of high school seniors in the top 50 percent of their class whose family income is less than \$3,000 a year do not continue their education. Can we afford such a waste of human talent? The Higher Education Act of 1965 will make college accessible to thousands of low, and middle-income students. Through a program of grants, insured loans, and work opportunities, it will make the opportunity for education available to all, not merely to those who can afford it.

I wholeheartedly support the Higher Education Act of 1965. It is a necessary followup to our attacks on poverty, ignorance and inequality at other levels of human development. It is an immediate response to immediate problems. The admonition of President Kennedy resounds like an echo in our ears:

We can no longer afford the luxury of endless debate over all the complicated and sensitive questions raised by each new proposal on Federal participation in education. To be sure, these are all hard problems—but this Nation has not come to its present position of leadership by avoiding hard problems. We are at a point in history when we must face and resolve these problems.

The Higher Education Act of 1965 is a brilliant attempt.

Mr. PICKLE. Mr. Chairman, I rise in support of H.R. 9567, a bill to strengthen the educational resources of our colleges and universities. In his educational message in January of this year, President Johnson wisely said, "higher education is no longer a luxury, but a necessity."

The profound truth of that statement becomes vividly clear when we consider thoroughly the world in which we are living. It is an age in which the scientist, the technologist, the educator, the businessman, and citizens in the forefront of leadership—men and women—must be highly trained and fully equipped to cope with problems never dreamed of a decade or so ago. They must face and solve them, or else fall before the pressing competition, not only from individuals within our own society, but from persons beyond our borders, both friendly nations and hostile ones.

This question of improving our higher education is not one which can be looked at complacently and to be considered in the future; it must be attacked now.

In my support of this bill, I wish to call attention to the provisions for strengthening college and university library resources and expanding the opportunity for training competent librarians. The effectiveness of an institution of higher education in fulfilling its objectives to its students, faculty, and research workers, is conditioned by the quality and sufficiency of its book collections, by the competence of its library staff, and by the adequacy of its library building. Deficiencies in any one of these library factors will prevent or impair the achievement of the goals of an institution of higher education.

To measure shortcomings in collections, staff and buildings, a group of representative librarians in consultation with outstanding college presidents and college accrediting agencies worked out minimum national standards. In my own State, a committee of Texas librarians in 1964 studied these national standards for libraries and made adjustments to fit the particular needs of the State of Texas. With the aid of alert Texas librarians and sympathetic support of Texas officials, the State has been making great strides in building up its library collections despite tremendous increases in college enrollment, but it has still considerable distance to go. For example, a study of the "Library Statistics for Colleges and Universities, 1963-64" and its supplement, issued by the U.S. Office of Education, shows that despite valiant efforts by Texas libraries to strengthen their library resources, a little over 50 percent of the 4-year college and university libraries do not yet meet the minimum national standards; and about 85 percent of the junior colleges do not meet the test. Theological schools are excluded from the count because they are not eligible for grants under terms of the bill.

The three different types of Federal grants—basic, supplemental, and special purpose—which are authorized in this bill will help Texas to further the higher education program which is progressing in the State.

When the matter of the \$5,000 basic grant is considered, an examination of the statistics shows a distressing situation in Texas. Of 87 institutions, 19 reported that they were expending annually for books and other library materials \$5,000 or less; and of these, 8 were expending \$2,000 or less. In other words,

although Texas has been making solid advances in its library holdings, 22 percent unfortunately at present are spending \$5,000 or less annually for books and other library materials in their efforts to serve the students and faculty.

The special-purpose grants offer some exciting opportunities for colleges and universities. An example of what might be done under this type of grant is shown by the five universities in central Texas which have been joined together by teletype to make their 2 million books available to vast numbers of readers.

Along with the provision for improving and expanding library collections, the bill wisely includes authorization of an amount of \$15 million to be used by library schools for the training of librarians and the undertaking of research in librarianship.

Texas is already being benefited under this law. Grants amounting to \$657,243 for four projects costing \$2,455,284 have been awarded to institutions of higher learning in Texas under the Higher Education Facilities Act of 1963. Two of these four grants are for libraries—at West Texas State University, Canyon, and at Texas Southern University, Houston. The other portions of this bill provide help which is commendable for other areas of higher education. Though I am hopeful certain changes might be made in the bill, I believe the overall measure will be helpful to higher education.

President Johnson has recognized far-sightedly the value of good libraries in the higher education program. The legislation will be a landmark in preparing the colleges and universities to cope successfully with the urgent problems of this present day.

Mr. FOGARTY. Mr. Chairman, I, too, would like to lend my support to H.R. 9567, the Higher Education Act of 1965. As a member of the House Committee on Appropriations, it has often been my duty to review our programs which assist in the education of the Nation's young people. With due respect for the work of the past Congresses on higher education legislation I must say that the Higher Education Act of 1965, if enacted, will be the most significant law in the whole field of higher education since the enactment of the Land-Grant College Acts.

I make this claim for this bill because this bill recognizes the fact that support for higher education must be both varied in approach, and coordinated in effort.

Two years ago when we enacted the Higher Education Facilities Act of 1963, we gave assistance in a specific area of need—facilities. However, experience in the past 2 years has demonstrated that the need is as great, if not greater, in other areas. The need for community service and extension programs in urban areas—for books, training, and research in college libraries; for a comprehensive student assistance program; and for strengthening underdeveloped colleges has long been acknowledged by people knowledgeable in education. Now we have the opportunity to take action in satisfying these needs.

Mr. Chairman, I am sure every Member of the House knows my feelings about

higher education. I have stated my position time and time again. An educated citizenry is the only base on which we can build a free society.

The Nation has made it a policy to have free universal public education through grade 12 available to all. This policy has resulted in the highest literacy rate of any Nation in history—but this is not enough. The highly technical nature of our economy demands that we extend the concept of free public education beyond high school.

This is not entirely new to the national thinking. Over a hundred years ago, Congress introduced the idea with the Land-Grant College Acts. It is time to implement this century-old commitment with further measures to assure that every qualified high school graduate may attend and graduate from college.

To fulfill our commitment we must improve and strengthen our colleges and universities in order to insure that quality education is available for all students, we must give financial assistance to these institutions to help them hold down tuition costs, and we must provide grants, loans, and employment opportunities to students.

In Rhode Island we have been facing a crisis in higher education—a desperate crisis. The University of Rhode Island is in a critical financial position—more funds must be raised to maintain the quality of education. Some people have proposed that we increase tuition—I oppose any increase in tuition.

I am in 100-percent agreement with a longtime friend of mine in Rhode Island, Mr. Albert J. Hoban, who is vice chairman of the board of trustees of State colleges and whom I hold in high esteem, and at this point I would like to include the text of a speech Mr. Hoban gave on Thursday, August 19, 1965, at the Roger Williams Kiwanis Club in an effort to enlist support of persons who are aware of the broader implications of his proposal to reduce rather than to increase tuition.

A CHANGE IN DIRECTION: REDUCING GENERAL FEES

(By Albert J. Hoban)

Pending before the Board of Trustees of State Colleges of Rhode Island is a proposal that the tuition fee at the University of Rhode Island be raised from \$250 to \$300 and that the tuition fee at Rhode Island College be increased in two steps of \$25 each. This proposal will be voted upon at the September 8, 1965, meeting of the board. It is my intention to vote against this proposal and to make a counter proposal calling for the reduction of fees at the University of Rhode Island, Rhode Island College, and Rhode Island Junior College. I will propose that the fees for freshman and sophomores at the University of Rhode Island and Rhode Island College and for all students at the Rhode Island Junior College be reduced by \$50. It is my intention to ask the board to gradually eliminate all fees for the first 2 years at all institutions so that by 1972 qualified Rhode Island students may attend any of our public institutions of higher learning for 2 years without payment of fees.

THE FUNCTION OF THE BOARD OF TRUSTEES

While expressly defending the principle of free public higher education the president of the university has proposed an increase in

tuition fees on the ground that the people are not yet ready to support free education at the college level.

I do not concur with the president's opinion of the temper of the people of Rhode Island and their overwhelming support of every proposal placed before them in the form of referendums contradicts him. But even if I did agree with his estimate of their attitude I do not believe the board has the right to assume the responsibility of deciding what taxes the people of Rhode Island are willing to pay or to what purpose their tax dollars should be allocated.

The board's duty is to make sound requests for money to the Governor and the legislature and to prudently expend the share of tax revenue allotted to it. It is for the Governor and the legislature to take into consideration what taxes should be imposed and the relative importance of expenditures for education and such competing needs as those of public welfare, public roads, and police protection. In this area the board has no authority and its member no special competence. Therefore it is not the duty of the board to decide whether the people are ready and willing in 1966 to pay for free education beyond the high school level. It should decide whether, tested according to standards of justice and wisdom, such a program is sound. If it is, then the board should propose a budget which incorporates the program. The people of Rhode Island, through the Governor and the legislature will decide whether they wish to invest their money in the program.

MISCONCEPTIONS ABOUT FREE HIGHER EDUCATION

Free education and high academic standards are not adverse to each other. I do not advocate that the academic standards of our colleges and universities be lowered. On the contrary I would stiffen them. The City College of New York is proof that free education and high achievement can go hand in hand.

Moreover, I am not concerned with providing luxuries. All I would eliminate are tuition fees. Those parents who wish to have their children live on campus, have private telephones and wear expensive clothes will have to pay for these items themselves. What I want to do is to bring a college education within the reach of every qualified but poor- or middle-income high school graduate in Rhode Island.

What I urge the board to do is to return to a policy that was in effect from the birth of our public institutions of higher learning until a relatively short time ago. Until 1943 there was no general fee at the university and until 6 years ago there was no general fee at Rhode Island College.

It has been asserted that no qualified high school graduate in Rhode Island is being denied a college education because he cannot afford it. The facts indicate otherwise.

According to the recent study conducted for the board of education by Columbia University, 58 percent of Rhode Island high school graduates do not go on for further education of any kind. Why are more than 5,000 boys and girls quitting at the high school level each year? Eliminate half of them as unqualified for college work, discount the girls who wish to get married and those who have the talent but not the desire for college and you still come up with a substantial number who cannot be accounted for. These do not go to college because they cannot pay for it.

A year ago 3,200 students applied for scholarships under the State scholarship program. Only 600 were awarded. Some may not have met the standards based on need and some may not have met the standards based on ability but many more who did qualify had to be turned down.

The student aid office at the University of Rhode Island finds that one-third of all the students at the university have limited resources. When 1,167 undergraduates applied for scholarship aid amounting to \$600,000, the office was able to give partial assistance to a mere 390. In other words, 66 percent were turned down.

These figures reveal the unfulfilled need only among those who applied for aid. Guidance teachers and other experts in the field are convinced that such figures reveal only the surface portion of the iceberg. A great mass of qualified and needy students are not counted in the statistics because the prospect of college is so remote they do not file applications for assistance. Just as the opening of the junior college brought forth thousands of applicants from sources we only guessed existed, tuition-free post-high-school education will reach thousands of qualified boys and girls who are eagerly waiting the opportunity for the college education they cannot now afford.

Some of us are prone to make hasty judgments about what all students can afford because we see a few of them driving expensive automobiles around the campus. At the University of Rhode Island, there are approximately 5,000 students including graduate students. Of 2,041 cars registered, 1,462 belong to commuting students. Virtually all of these commuters have cars only because they don't have enough money to live on campus; and 579 are owned by residents, many of whom are self-supporting graduate students. Thus, less than 1 student in every 10 has an automobile which, as far as we know, is for his personal use. This is comparable to what we can observe at most high schools in Rhode Island. It is hardly a sound basis for rejecting a proposal for tuition-free public higher education.

When tuition fees are eliminated for freshmen and sophomores, it will still be a struggle for the average Rhode Island family to put a boy or girl through college. The average annual income of wage and salary workers in this State is \$4,375, and median family income is less than \$6,000. With no tuition fee and with a child commuting to the University of Rhode Island, the cost to him and his parents would still exceed \$500 a year.

It requires no great imagination to visualize the many things the average family in Rhode Island must forgo to send one or two children to college. I submit that a figure of \$500 a year is the breaking point. A boy or girl who is willing to work in the summer can, with family help, reach that goal, but when a tuition fee of \$250 or \$300 is added, what might have been the fulfillment of a dream becomes an exercise in frustration.

Some opponents of free public education at the college level claim that it discriminates in favor of the wealthy student who can easily afford to pay full tuition. The same objection was made to free education at the secondary level and was rejected 50 years ago. In the case of higher education today the very few wealthy students at our State colleges are already heavily subsidized because taxpayers are paying about 85 percent of the cost of operating our State colleges and universities. Charging each student the same tuition to make up the balance of total cost discriminates in favor of the wealthy student in the same ratio as charging no tuition at all. If we were to treat the poor and the rich with equality we would have to graduate tuition fees according to family income.

And if we attempted some method of basing tuition upon ability to pay, we would still be confronted with another kind of discrimination which is built into the tuition system of every public and private col-

lege in the country for the tuition paid by a particular student bears no real relationship to the cost of his education. A freshman candidate for a liberal arts degree pays a high percentage of what it costs to instruct him but a graduate student in electrical engineering pays only a very small share of his costly instruction. In this way our present single flat rate for all compels certain students to pay a greater proportion of the total cost than others.

I do not propose that we attempt to relate tuition fees to individual income or to individual costs of instruction. What I object to is the argument that a system of free education should be rejected because it permits the wealthy to pay nothing. A tuition system at the present level, and at the level which has been proposed, is characterized by inequities which are fully as grave as those in a free system and, for the reasons set forth elsewhere in this statement, a tuition system does not have the redeeming political, economic, and cultural features of a system of free education.

The proposal of the president that the board set aside a percentage of the increase in tuition fees for student aid assumes that each student who goes to the university and pays the increase can afford to subsidize somebody else. This assumption is contrary to the facts. Many students pay their tuition from funds they borrow from banks, from student aid or from relatives. To me it seems poor policy to compel one student to borrow additional money to contribute to the student aid fund so that another student may borrow money to pay his tuition. This suggestion should be rejected before some of our students attempt to earn their way through college by taking in each others washing.

BALANCE IN POST HIGH SCHOOL EDUCATION

What I suggest is a balanced educational program beyond the high school level. We all agree that every child should be educated and trained to his potential. There will always be many individuals who can serve themselves and the community best by developing skills in the practical arts and sciences.

As we develop the excellent technical and vocational programs which the people of Rhode Island have already approved, the young man or woman who is not college material should have a full opportunity, irrespective of ability to pay, to exploit the talents and skills with which he has been gifted and which are needed just as much as academic talents to build a strong community. No one has suggested that post high school vocational students will have to pay a tuition fee in Rhode Island. We must recognize that it would be unjust and unfair to the boy with the aptitude for college work to tell him that he must pay tuition fees for his education while his brother obtains his post high school vocational and technical training free of charge. In our eagerness to remedy the double standard which handicapped the vocational student in the past, we must not create a new double standard in which the college student is at a disadvantage.

TRADITIONAL PRINCIPLES OF FREE EDUCATION

To my mind a policy of increasing tuitions is contrary to traditional principles of public education; contrary to the long-range interests of the State and contrary to sound financial policy.

In 1959, the American Association of Land-Grant Colleges and State Universities, of which the University of Rhode Island is a member, adopted a statement which begins with a quotation from John B. Bowman made in 1865:

"I want to build up a people's institution, a great free university, eventually open and accessible to the poorest boy in the land, who may come and receive an education

practical and suitable for any business or profession in life. I want to cheapen this whole matter of education, so that, under the broad and expansive influences of our republican institutions, and our advancing civilization, it may run free, as our great rivers, and bless the coming millions."

The policy of increasing the costs of public education to the individual is based on the false premise that higher education benefits only the individual. More than 100 years ago, the people of Rhode Island rejected this premise and set forth the correct principle in article XII, section I of our constitution which still stands:

"The diffusion of knowledge, as well as of virtue, among the people, being essential to the preservation of their rights and liberties, it shall be the duty of the general assembly to promote public schools, and to adopt all means which they may deem necessary and proper to secure to the people the advantages and opportunities of education."

Our forefathers not only adopted this principle, they acted on it. They provided free elementary and secondary education and they willingly approved the tax levies that were required to pay for it. Through a system of free education, they made it possible for us to enjoy the freedom and prosperity which makes our Nation the envy of the world. I believe the people of Rhode Island have enough faith in free public education to move forward 2 more years at this time.

A GROWING NEED FOR EDUCATION QUALIFICATIONS

According to the report of the Columbia University study group to the board of education three basic changes in occupational patterns have far-reaching consequences for Rhode Island:

"The first is that the need for unskilled labor in our economy is declining rapidly. Machines are replacing muscles. In 1930, 25 percent of our labor force was unskilled; in 1965, only 5 percent was unskilled. Herein lies a major reason for the human tragedy of one-fifth of our population living in poverty during an era of economic affluence.

"The second is the converse of the first. Jobs and occupations that will require larger segments of the labor force uniformly require higher degrees of skill, training, and education. The most striking example is in the area of professional and technical occupations. Engineers, scientists, teachers, doctors, dentists and other professional workers plus the technicians who support them are in short supply. It is estimated that these groups must increase twice as fast as employment as a whole between now and 1975. At a lower level the expanding clerical, sales and service occupations continually require higher degrees of skill and training. In the face of these facts jobs go begging for want of qualified personnel while the Nation supports approximately 5 percent of its work force who are unemployed.

"The third characteristic of the era that must be faced is the rapidity of change. No longer can a worker trained for a single craft or skill expect to remain competent for a lifetime. Occupational obsolescence is the order of the day. New methods and new machines require new understandings and new skills; flexibility, adaptability, and retraining become essentials to a career."

RHODE ISLAND'S NEED FOR EDUCATED WORKERS

Whether we like it or not, there is a fierce competition among the States for new plants and new industries. The rich States become richer and the poor States become poorer. We have acknowledged this competition in the redevelopment of our cities and our highways, by committing public credit to support plant construction and through the development of our natural resources. Today, education above the high school level is as essential to the public welfare as education at the high school level was 50 years ago. Within 10 years, the demand for un-

skilled and semiskilled labor will drop by 25 percent; the demand for professional and technical workers will double. The typical worker of 1975 will not be a bench hand or a press operator; he will be a computer operator or a junior engineer.

If other States like California have the people with the education and training to staff the industry of the future they will get the plants and the jobs. Some people underestimate the importance of educational climate as a factor in plant site selection. To modern business, an educated work force and excellent educational facilities are much more important than low taxes. In the world of tomorrow, there will be no escape from the judgment of science and business upon the uneducated individual and the community of uneducated people. In vain will Rhode Island spend millions of dollars for highways and redevelopment if its people lack the necessary education to meet the needs of automated industry. Either we spend the money now on free education or we spend five times as much in 1985 on unemployment compensation and relief programs in an economic wasteland.

Fortune magazine quotes one expert as estimating that "between 1929 and 1957, the rising education of the labor force was responsible for 21 percent of the growth in real national income * * * the increase in plant and equipment which is so commonly identified with growth contributed only 14 percent." According to Becker in "Human Capital," the rate return on a college education as an investment in the human agent is substantially higher than the return investment in nonphysical capital, running about 14 percent per annum.

FREE HIGHER EDUCATION AS AN INVESTMENT

The view that public higher education is only a benefit to the individual fails to recognize that expenditures for education the youth of today is an investment, not a gift. Purely as a financial proposition the proposal to charge a student for the cost of his education sees the picture backwards. In the long run, the State treasury will get back not only what it invests in free tuitions, but a handsome profit.

The Bureau of Standards estimates that a college education permits a person to earn about \$180,000 more in his lifetime than he would otherwise have earned. If we waive tuition fees at the University of Rhode Island, Rhode Island College, and Rhode Island Junior College for 2 years, we invest approximately \$500 per individual. Is there any doubt that, during their lifetimes, the increased earnings of these students will produce more tax revenue than we invested? Consider our experience under the GI bill of rights. The Federal Government has received back in taxes based on higher earnings more than it ever invested and is currently receiving profit of an estimated \$5 billion a year.

We are not, therefore, confronted with the question of who will pay. It is clear the young people themselves will pay as they will pay for the college buildings and facilities which we are financing through bond issues. They will meet the principal and interest charges on these bonds by paying taxes during their earning years and they will repay, as taxpayers, what we invest by waiving tuition in 1966.

Writing in the Michigan Quarterly Review in April 1962, Eugene Power, chairman of the committee on tuition of the Association of Governing Boards made the following summation:

"In conclusion, it seems appropriate to say that, rather than raising educational fees, we ought to be striving to lower them and eventually to eliminate them entirely. We have seen that free public higher education is financially profitable to a State in developing its tax base; we all know the

contributions it has made to our national welfare and to our happiness as individual persons. We must ask ourselves whether we are trying to eliminate racial barriers to education only to erect economic class barriers. Certainly, as soon as State universities set up economic barriers to admission, they will lose the support of those economic classes to which the barriers are prohibitive—why should the poor pay their taxes to support schools that only the rich can afford to attend? Last but not least, there is the appalling waste of human talent that is lost when economic barriers close off any segment of our society from education. We long ago made education free because we had learned that genius and talent do not belong to any economic class.

"It has always been part of the great American dream that no student should be deprived of the opportunity for education because of economic poverty. This is the motive and basis for free public education. We believe that every human being is entitled to an equal opportunity for the development of his potentialities, that economic differences ought not to operate to discriminate against him. The least we can do, we have decided, to insure equal opportunity—which cannot be guaranteed absolutely because of many other factors over which we have no control, such as home and community environment and job opportunity—the least we can do is to give each young person a good start in life, and good start toward the ideal of 'equal opportunity for the pursuit of happiness,' by giving him a good educational base from which to work. Hence, free public education. This is our responsibility and the responsibility of State legislatures."

A RELATIVELY SMALL AND TEMPORARY EXPENDITURE

While, in my opinion, it is not a duty or function of the board to base its decision upon an evaluation of tax sources, the board may be of a contrary opinion. It would seem appropriate, therefore, for me as an advocate of a plan calling for an expenditure of money, to suggest what my proposal would cost and where the money should come from. Since no more than 6,000 students would be involved during the academic year 1966-67, my proposal would require an increase of no more than \$300,000 over last year's budget. Eventually, the no-tuition principle for the first 2 years would cost about a million and a half dollars a year until we begin to recoup from the original beneficiaries of the program.

Recently, our State budgets have been tight and subjected to cuts of doubtful wisdom, but within the next year or so the tax structure of Rhode Island must be revised to meet the realities of life. When this is done, expenditures to cover the cost of public higher education, along with many other critical needs, can be taken into consideration. Meanwhile, there is no reason why we cannot undertake a comparatively modest increase of a few hundred thousand dollars as an investment in the future of Rhode Island.

Lowering tuitions will be a capital investment for the State until the students of today are the taxpayers of tomorrow. I sincerely feel that the citizens of Rhode Island are willing and anxious to make the investment.

AN OPPORTUNITY FOR LEADERSHIP

In this statement I have expressed some of the reasoning which has caused me to advocate a reduction in tuition fees. But the concept of free public education is a compound of faith as well as reason. We are trustees of more than bricks and mortar. We are stewards of a heritage handed down to this generation by those bold and lively experimenters who made Rhode Island a leader among the States in democratic gov-

ernment, in industry, and in culture. Our ancestors did not wait to learn what other States had done. They were men of vision and action. Novelty was the constant companion of their daily lives. If we are to set our feet once more upon the road to leadership and if Rhode Island is to share in the affluence we observe all around us we must first restore our faith in ourselves. The board of trustees of State colleges has an opportunity to begin this great work of renewal by making higher education available to every boy and girl in Rhode Island without regard to ability to pay.

A few months ago, the president of the City College of New York, in discussing this aspect of the problem, said:

"In 1574, the people of the city of Leyden, Holland, succeeded in resisting with great courage the siege of the Spanish invaders. As a reward, William, Prince of Orange, offered the citizens of Leyden their choice between perpetual freedom from taxation and the construction of a great university. The people made their choice. They accepted taxation in order to have a great university."

I believe the people of Rhode Island will make the same choice if we have the courage to present them with the opportunity to do so.

Mr. Chairman, I have supported the proposal to reduce tuition and to provide at least 2 years of free higher education for students in Rhode Island. The main deterrent to free higher education has been, and will continue to be, the lack of funds at the State level. We must look to the Federal Government with its broad tax base for the funds necessary to provide the education which the people of Rhode Island and the Nation need.

While H.R. 9567 does not go as far as I would like, it is a step in the right direction. If we are to continue to advance with an educated citizenry then this bill must be enacted.

I have studied this bill carefully and I come to only one conclusion—it is the best higher education bill to be offered to the House since I came to Congress. My compliments go to the Committee on Education and Labor and to my distinguished and able colleague, Mrs. GREEN, and her subcommittee. They have taken the administration proposals—studied them, worked with them, and have molded them into a well-rounded comprehensive program. I might add that I was not surprised with the result because I have seen the results of Mrs. GREEN and her subcommittee in previous Congresses.

When looking at legislation of this type, I make it a practice to analyze the bill in order to ascertain its effect on the residents of Rhode Island. The benefits of the Higher Education Act of 1965 to the institutions, the students, and the residents of Rhode Island are both significant and varied. Certain aspects of these benefits I have been able to ascertain in detail, other benefits can only be estimated, and still others depend on the desires and actions of the people and the institutions of Rhode Island.

Title I, authorizes the Commissioner of Education to make grants to institutions of higher education for the purpose of assisting those institutions in the development of community service programs.

The types of projects and activities possible under this title include—

Studies of employment problems and of economic growth possibilities;

Appraisals of welfare administration and effectiveness; seminars on anti-poverty projects;

Courses to train subprofessional personnel as aids in health services and social work;

Conferences and seminars on the problems associated with segregation and with measures taken to promote desegregation; and

Courses for professional people such as doctors, lawyers, and administrators to relate the findings of research, the significance of current events, and new techniques to their responsibilities to the public.

Community service programs will be particularly significant in Rhode Island where 90 percent of the population resides in urban centers. The \$300,000 which will be available to institutions in Rhode Island will do much to strengthen the resources of our schools and will offer the people of Rhode Island the skills, knowledge, and research facilities necessary to cope with the growing problems rising from urbanization.

From comments I have heard from my colleagues and from the educational community, both here in Washington and at home in Rhode Island, I have reason to believe that title II has almost unanimous support—and this is well deserved.

Although I have long supported programs for classroom construction and student assistance, I have also been in favor of assuring that there are books in the libraries and trained personnel to assist students in the use of library resources.

To build classrooms and to fill those classrooms with able students is useless if adequate library resources and trained librarians are not available. The center of the university is the library.

Title II provides for grants to assist with the purchase of books and other library materials, grants to encourage co-operation and eliminate needless wasteful duplication of effort, and grants to develop and improve programs designed to train qualified students in librarianship and to conduct research in the information sciences.

Each college or university which is accredited or whose courses are accepted for credit by three accredited institutions will receive a \$5,000 basic grant with which books and periodicals may be bought. Further, supplemental grants of up to \$10 per full-time student may be made to institutions whose lack of library resources hinder the development of the institution. There are also special purpose grants to institutions which serve special regional or national needs.

Title III provides a 5-year program of grants to institutions of higher education and to teaching fellows to assist in raising the quality of developing institutions.

Rhode Island is fortunate in that, of its colleges and universities, only one 4-year college lacks accreditation and that, in general, the institutions are of high quality. However, participation in this program would not be limited by this

high quality. Grants under this title could be used to assist Rhode Island institutions in making cooperative arrangements to assist developing institutions in other States as well as such institutions in the State.

Title IV offers assistance to a large part of the Nation's college students. The various parts of the title offer aid in all of the major forms of student assistance now practiced in the United States.

Part A would establish a program of educational opportunity grants for students in families with incomes which do not permit significant family contributions toward the student's college education.

Part B is designed to establish, improve, and stimulate insured student loan programs with Federal interest subsidies on the loans. Each State would receive a grant to assist in establishing or strengthening reserve funds for student loan programs. Until the States establish comprehensive programs, the Federal Government insures student loans. The Federal Government would also subsidize interest payments on all loans made under this part for families with adjusted annual incomes of less than \$15,000. Rhode Island would receive \$91,727 for a reserve fund to insure loans.

Part C would extend and broaden the college work-study program which was established by the Economic Opportunity Act of 1964. Eligibility would be based on need rather than require participants to be from low-income families as the original program required.

According to many figures, about 10,000 Rhode Island students could receive assistance through programs authorized or amended by title IV. About 700 students could receive opportunity grants of about \$500. Some 1,100 students would have the opportunity to participate in the work-study program.

Further, about 7,200 Rhode Island students would have access to insured low-interest loans amounting to more than \$4.5 million.

I cannot overemphasize the need for title IV. Every Member of this body knows the need. College costs have been spiraling at an unprecedented rate. It is projected that the cost of college will almost double by 1973.

It is almost impossible for a student to work his own way through college now. He must rely on family support—support which is seldom strong enough to provide the student with adequate educational opportunities.

This situation is acute in New England, in particular. New England students do not go on to college in the same numbers as those from other regions of the country. This is ironic because the finest universities in the Nation are in New England. In Rhode Island the number of college freshmen actually decreased between 1962 and 1963 while the number of freshmen in the rest of the country increased. In 1964 there was some increase in freshman enrollment but the increase was less than the national average.

New England has never fully supported public education. We have too long been too proud of our fine universities without putting our efforts behind public education. This lack of effort can be seen in the median number of years of education completed by Rhode Island residents—only 10 years.

I note that some of the Western States which do not have the fine universities that we have in New England have medians of 11 years or 12 years. This is the result of emphasis on full public education.

I am the first to admit that part of the fault in this situation is that the State government in Rhode Island has not done enough to support public higher education. In fact, the Governor has recommended an increase in tuition—further decreasing the amount of State support. However, we do not have enough resources at the local level to do the job alone. This bill will help us in our efforts to provide more students with the opportunity to go to college.

I do want to point out that we do not expect to sit back and ask the Federal Government to do the job. We, in Rhode Island, are going to increase our efforts too. Education should be a cooperative effort—cooperation at all levels is absolutely necessary for the best results.

I would like to commend the committee for its initiative in adding title V to the administration bill. Last year the demand from Rhode Island institutions for assistance under the Higher Education Facilities Act of 1963 exceeded the available funds by \$332,059. The funds which were available were quickly absorbed by a backlog of needs which had been building up over the past 20 years. Now college enrollments are increasing every year—faster than at anytime since the veterans returned from the war. Student assistance programs are swelling classes even faster. The funds authorized by title B will be well used. Any assistance we provide for construction of facilities should be considered an investment in the future of those students which we encourage and help to continue education.

Mr. HARVEY of Indiana. Mr. Chairman, I rise in support of H.R. 9567. I do this, however, with much reluctance because I think the committee where this legislation originated did not fulfill its obligation to investigate and clearly air all of the controversial facets of this bill. Among many of my objections to this measure I question the soundness of permitting the Commissioner of Education from entering into contracts with non-profit organizations or institutions without proper congressional review. While I have no fault with loaning students money to further their education, it seems to me there should be some provision for security and endorsement. For after all, this is public money we are talking about here. Despite an effort to rush as many bills through this Congress as possible—and believe me, I do not know what all the rush is about—I think this legislation deserves more committee con-

sideration. In spite of this, the higher education program, which began during the Eisenhower years, I am voting for this legislation even though it has numerous objections and fallacies that could have been eliminated.

Mr. RHODES of Arizona. Mr. Chairman, as chairman of the House Republican policy committee, I rise to report the statement of policy that has been adopted by the committee with respect to H.R. 9567, the Higher Education Act of 1965. The policy statement is as follows:

REPUBLICAN POLICY COMMITTEE STATEMENT ON H.R. 9567, THE HIGHER EDUCATION ACT OF 1965

Traditionally, Republicans have advocated and supported Federal assistance in the field of higher education. The National Defense Education Act which has proven so successful was enacted during the Eisenhower administration. The Republican Members of Congress made vital and essential contributions to the drafting and passage of the Higher Education Facilities Act of 1963.

We are appalled, therefore, at the arbitrary and partisan manner in which the administration and the Democratic majority have handled H.R. 9567, the Higher Education Act of 1965.

In a meeting lasting less than 20 minutes the committee majority rubberstamped a new scholarship plan which it had not discussed, reinstated a Federal student loan guarantee plan previously rejected by the subcommittee, repudiated the subcommittee by reinstating the loan forgiveness feature of the National Defense Education Act, accepted an amendment which extends loans to new categories of institutions, and approved authorizations in excess of \$600 million annually without even having a clean print to examine. Moreover, it is common knowledge that this unjustified action to approve a bill virtually sight unseen was ordered by the White House.

As a result of this arbitrary curtailment of the legislative process, the views of the Republican members of the Education and Labor Committee did not receive any real consideration and the bill as reported has a number of defects.

For example, the provision for a Federal student loan guarantee program is completely unnecessary and may do irreparable damage to private and State programs. It is highly significant that not one educator appeared before the subcommittee and requested such a program.

Title IV, in effect, establishes a broad program of Federal scholarships. This approach to student assistance has been rejected by Congress on several occasions. It introduces an element of Federal control into this most sensitive area. Moreover, these funds could be used more wisely to establish and encourage the development of 2-year community colleges that would bring the opportunity for higher education to every high school graduate. Also, there is reason to believe that scholarships together with the present loan forgiveness provisions of the National Defense Education Act may imperil the highly successful student loan program.

Under title VI the chairman of the Education and Labor Committee is authorized to establish an advisory council to make studies and recommendations with respect to programs established or affected by this act. The members of this council, number not specified, are appointed by the chairman, serve at his pleasure, meet at his call, and perform duties that he assigns. In other words, they are the creatures of the chairman. Also, there is no provision for minority approval or representation or for general

supervision by the Education and Labor Committee.

While title III, "Strengthening developing institutions," has a laudable objective, it is so lacking in guidelines that most of the institutions of higher education in this country could qualify for assistance. This means, of course, that the Commissioner of Education, as the administrator, will have total discretion in determining which institutions qualify and for what amount of money.

Finally, we believe immediate consideration should be given by this Congress to the enactment of a tax credit plan whereby parents could offset the expenses of their children's higher education. A recent report of the Republican task force on education has developed such a plan. This plan would be of material assistance to students and their families and would soften the impact of future tuition boosts.

We recognize the problems of higher education and favor appropriate governmental action to alleviate them. Unfortunately, however, some of the solutions offered by H.R. 9567 are of questionable value.

Mr. SCHMIDHAUSER. Mr. Chairman, a recent national poll indicated that close to 90 percent of the parents in the United States wanted their children to go to college. Each year these desires are reflected in the ever increasing numbers of young people who apply for admission to the various colleges and universities throughout the United States. The number of college and university students in the Nation has doubled in the past 10 years and it is expected that the student population will double again in the next 8 years.

A severe strain is being placed on our higher education resources and facilities. That strain will continue to grow for it is becoming increasingly difficult to provide the facilities and the teachers to meet the demand. The Higher Education Act of 1965 which we are considering here today could provide much needed financial help to meet that demand. This legislation is particularly important to the people of the First District of Iowa in which are located five distinguished institutions of higher learning: the State University of Iowa, St. Ambrose College, Marycrest College, Parsons College, and Iowa Wesleyan College. On many occasions I have had the opportunity to discuss the Higher Education Act of 1965 with officials from several of those institutions and I am convinced that this legislation must pass if the Federal Government is to meet its obligation to assist in correcting some of the most pressing higher education problems—lack of qualified teachers; overcrowded facilities; inadequate libraries; insufficient student assistance. I would like to briefly discuss the provisions of this bill to illustrate the assistance it would provide for the institutions of higher learning in the First District of Iowa.

TITLE I—COMMUNITY SERVICE PROGRAMS

Title I is particularly important for the First District of Iowa. It would provide for support for universities sponsoring community service projects aimed at solving specific urban and suburban problems. For many years the State University of Iowa has operated an excellent extension program which has brought both direct and indirect benefits to all of the people of Iowa. The Extension Service at the university has de-

sired to improve and expand their community service but they have been unable to do so because they have lacked the necessary funds. During the past school year almost 30,000 people took advantage of the various programs and courses sponsored by the Extension Service. However, much more could be done and should be done. Title I of the Higher Education Act of 1965 would assist the Extension Service in meeting its growing and urgent needs.

TITLE II—COLLEGE LIBRARY AID

Title II, relating to library services, is extremely important to the people of the First District of Iowa. Without immediate help, the libraries of the colleges of the First District of Iowa will not be able to meet the increasing demands which will be placed upon them.

A good library is the heart of any college or university. Leslie W. Dunlap, director of libraries for the University of Iowa, reports that the "expenditures of all major university libraries, public and private, have increased substantially in recent years to cope with larger enrollments, an increased emphasis on research, the explosion of knowledge and the higher costs of publications." The Reverend Joseph Kokjohn, vice president of St. Ambrose College, has written to me that the library of that fine college should be almost doubled to meet the needs of the college community but that these needs are most difficult to meet even though the college spent almost 20 percent of its educational budget in 1964 on the library.

Not only is there a need for more books and other publications at the colleges and universities in the First District of Iowa but there is a corresponding need for trained librarians to acquire, catalog, and service the publications. Mr. Dunlap, of the State University of Iowa library, has pointed out:

The very real shortage of librarians in our country makes it exceedingly difficult for us to fill vacancies which occur when a valued staff member leaves. There is no graduate library school in Iowa and the enactment of the Higher Education Act of 1965 would provide much of the assistance needed in this direction.

Title II of this act would provide \$50 million in fiscal year 1966 for the first year of a 5-year program of grants to higher educational institutions for acquisition of books and other library materials. It would also provide \$15 million in fiscal year 1966 for the first year of a 5-year program of grants to higher educational institutions to train persons in librarianship.

TITLE III—DEVELOPING INSTITUTIONS

Title III of this bill would provide \$30 million in fiscal year 1966 for the first year of a 5-year program of grants to developing institutions and other colleges and universities to improve and strengthen developing institutions of higher education. It would establish a national teaching fellow program to encourage recipients to teach at developing colleges. If this Nation is to meet the ever-growing higher educational needs of its citizens, such a program to

assist developing institutions is absolutely necessary.

TITLE IV—STUDENT ASSISTANCE

The important title IV of the Higher Education Act of 1965 provides for grants, loans, and student jobs to assist needy and middle-income students who wish to receive a higher education. I have long held that all needy students who are qualified to attend college should be eligible for financial assistance. There are few who do not now acknowledge the benefits which accrued to this Nation as a consequence of the GI bills of the Second World War and the Korean conflict. I personally acknowledge a great debt of gratitude to those who pushed for the GI bill of World War II. This bill provides for increases in the National Defense Education Act undergraduate loan authorization and provides educational opportunity grants for exceptionally needy full-time undergraduate students. It also encourages the establishment of State student loan insurance programs and broadens the college work-study program to include any student needing aid.

There is no question but that such financial assistance is necessary for the cost of a college education increases each year. I mentioned earlier that almost 90 percent of the parents in the United States want their children to go to college. The percentage of those who have the financial resources to achieve that goal is considerably smaller. Title IV of the Higher Education Act of 1965 will make it more possible for the most needy and capable student to achieve the education he needs and desires.

Grants of \$200 to \$800 will be made available to the neediest students to accompany a job and a loan. Middle-income students from families earning less than \$15,000 a year would be eligible for interest-free, federally insured loans while in college and pay 3 percent on their loans thereafter. Students from families with more than \$15,000 a year income also would be eligible for insured loans but not the interest subsidy. Students in need of earnings to pursue their courses of study would be assisted by work-study jobs and the work-study program would be open to middle-income as well as needy students.

TITLE V—CONSTRUCTION GRANTS

It has long been recognized that one of the most critical needs of the institutions of higher education is the need for funds for buildings, facilities, and equipment. This bill would double the present the present authorization of \$230 million to provide a total authorization of \$460 million in grants in the fiscal year of 1966 for construction of undergraduate academic facilities. The present authorization of \$60 million for construction of graduate academic facilities would also be doubled to provide a total authorization of \$120 million in grants.

Each of five institutions of higher learning in the First District of Iowa has plans for expansion and the funds which will be available to the State of Iowa under title V of the Higher Education Act of 1965 will be of great benefit to them in their attempts to carry out

these plans and thereby meet the educational needs of the people of Iowa.

CONCLUSION

The passage of this important Higher Education Act of 1965 will do much to improve higher education in the First District of Iowa. It is apparent that Federal money is needed to supplement State and private funds. Mr. Jay W. Stein, the executive director of the Higher Education Facilities Commission of the State of Iowa, reported to me that "the total amount of intended requests for the coming year considerably exceeds the available funds for both the public community colleges and the other institutions. Nine requests totaling \$1,671,338 for eligible projects could not receive a priority because of insufficient funds. The amount of available funds is running 50 percent behind the eligible needs, and with the anticipated projects for next year, the lag will increase."

President Howard R. Bowen, of the State University of Iowa wrote to me that "virtually every portion of the Higher Education Act of 1965 would benefit the university and also the other institutions of Iowa." President Bowen went on to note that the operating funds "for general educational purposes will need to treble in the next 10 years." I cite these figures only to point out that substantial Federal aid to higher education is a necessity. Sister Mary Helen, president of Marycrest College, wrote to urge my support of this legislation and observed that "the passage of this bill is of utmost necessity to all college libraries of the country and especially to the Marycrest Library in particular."

I strongly urge the passage of this legislation which will do so much for higher education in this Nation and in the First District of Iowa.

Mr. SCHISLER. Mr. Chairman, I rise in support of H.R. 9567, the Higher Education Act of 1965. This legislation will go a long way in meeting the surging growth of enrollment in our colleges and universities. It will strengthen loan programs so that more students will have the opportunity for a college education; it will give assistance to our libraries and ease the pressure of overcrowded academic facilities.

The gentlewoman from Oregon [Mrs. GREEN] and her subcommittee are to be commended for their fine work on this legislation. Extensive hearings were held on H.R. 9567. Testimony was received from many groups representing different segments of our population. The bill which has been reported is a comprehensive measure which will be advantageous to large universities and small colleges—institutions from every segment of the country.

The time has come when we recognize that "excellence" must be continually sought in every phase of our educational activities. Mediocre standards and a merely better than average curriculum are no longer enough. In strengthening existing laws and existing facilities in our colleges and universities we are carrying out President Johnson's national objective of "full educational opportunity" for every citizen.

Facts and figures indicate that we must continue to strengthen our educational system. The facts read like this: in the 10 years from 1954 to 1964 the number of college and university students climbed from 2.4 to 4.8 million—an increase of 100 percent in one decade. Since the war the number of institutions of higher education in this country has risen 250 percent, from 866 to approximately 2,360.

This legislation is divided into four major titles, each designed to strengthen a phase of American higher education.

Title I proposes a 5-year program to assist in the solution of community problems in many areas: housing, government, recreation, employment, transportation, health, and land use. The assistance is carried out by grants and contracts designed to aid colleges and universities in developing more effective methods of teaching in their adult education and extension programs. University-operated programs can be submitted in a State plan and submitted to the U.S. Commissioner of Education for approval. Such plans might include professional retraining and refresher programs; training and consultative services to local, State, and Federal Governments; training in leadership and program planning for adult education, and special programs for culturally disadvantaged adults. Of the \$50 million authorized under title I, \$2,528,589 would be allocated for grants in Illinois.

Title II proposes a 5-year program of help for institutions to acquire library materials needed for their expanded responsibilities in research, teaching, and student use. Grants will be made for the purchase of books, periodicals, documents, and other related library materials. Grants will be made on the basis of such criteria as size and age of the library collection, student enrollment, endowment, and other financial resources.

In Illinois there are approximately 63 institutions which would be eligible to receive basic grants under this title. This means that up to \$315,000 could be granted to colleges in Illinois. It is possible that as much as \$2 million would be granted to Illinois institutions as supplemental grants. There is no way to give a complete breakdown of what the amounts of special purpose grants and research and training grants to institutions in Illinois would be. This is entirely dependent upon the desires of the colleges and universities and upon their qualifications. However, representatives of Illinois universities have indicated an interest in both types of grants.

Title III proposes a 5-year program to assist in raising the academic quality of our colleges which are struggling financially. Grants will be awarded to institutions to engage in a series of cooperative projects which would strengthen their academic resources. The cooperative projects would include: exchange of faculty or students, including visiting scholars; introduction of new curriculums; and faculty improvement programs.

Illinois is fortunate in that, of its many colleges and universities, less than ten 4-year colleges lack accreditation and

that, in general, the institutions are of very high quality. However, participation in this program will not be limited by this high quality. Grants under this title could be used to assist Illinois institutions in making cooperative arrangements to assist developing institutions in other States as well as such institutions in the State.

Title IV deals with student assistance. A 5-year program of student financial aids to make the benefits of higher education available to needy students will be instituted. Four types of such assistance are provided: undergraduate scholarships to qualified high school graduates from low-income families; insured reduced-interest private loans to both undergraduates and graduate students through approved commercial lenders and certain State and nonprofit private programs; an expanded work-study program to provide part-time employment; and extension and expansion of the national defense student loan program.

Illinois would receive \$903,811 for a reserve fund to insure loans. It is estimated that 18,000 to 20,000 students in Illinois will make use of NDEA loans; this would mean a total grant of \$10,400,000 to our State alone. And the total estimated amount of grants and loans to be available for the State of Illinois is \$61,189,421. Estimated total benefits for the State of Illinois under H.R. 9567 is \$38,513,708.

These four titles cover the scope of higher education. They first recognize the need for maintaining academic excellence in our colleges and universities; and, more important, the plans and the financial tools are provided for fulfilling that need.

As a struggling college student of the last decade and a recent schoolteacher and principal, I feel this bill meets the needs of this decade and even beyond. When our policies are continually being challenged abroad, it is here on the homefront that we must prepare our youth to meet the challenges of the future. Our strength lies in these youth, and their strength, in turn depends in large part upon what kind of education they receive.

Mr. Chairman, H.R. 9567 is an extremely worthwhile and essential piece of legislation. I would consider it a major achievement of this 89th Congress. I urge my colleagues in the House to support this legislation without amendments, and to record an affirmative vote for this measure.

Mr. TUNNEY. Mr. Chairman, I rise in support of H.R. 9567, the higher education bill of 1965.

The enactment of the Higher Education Facilities Act of 1963 represented a bold step toward filling one of the most pressing needs felt by American education in the 1960's: the need in our institutions of higher learning for greatly expanded physical facilities to accommodate the rapidly increasing number of college-age Americans.

In most particulars, the act is the very model of well-considered, intelligently developed Federal assistance to education. It is comprehensive, affording benefits to collegiate institutions of all

types—junior colleges, 4-year schools, and graduate institutions. It is based on the principle that Federal money should not supplant State and local funds, but supplement them, since Federal funds can in no case make up more than 40 percent of the cost of a project. It scrupulously observes the American tradition of State and local control over education, since a State commission is charged with planning projects for undergraduate institutions and with assigning relative priority to those projects, and, in the case of graduate institutions, the initiative in planning and seeking grants rests with the institution itself.

There is one aspect of the act which, in my opinion, and in the opinion of many interested educators, stands in need of change. This involves provisions in the original act regarding the relative State and Federal percentages of the cost of certain projects.

Title I deals with the program of grants for construction of undergraduate academic facilities. Under the terms of that title, 22 percent of Federal funds appropriated must go to the States for use at public community colleges and public technical institutions, while the remaining 78 percent is to be used for 4-year undergraduate institutions. For projects at 4-year institutions, the State commission determines the percentage of total project cost to be paid out of Federal funds, except that this percentage may in no case exceed 33⅓ percent. This variable Federal percentage affords the State commission latitude in meeting the varying needs of 4-year institutions throughout the State.

The language in the sections dealing with public community colleges and technical schools leaves no such latitude, however, and therein lies the bar to the effective operation of the act. The act states that the Federal share of the total cost of a project at such an institution must be 40 percent, no more, no less. As a result of this inflexible stipulation, inequities in the community college program have been produced.

I do not think it immoderate to say that California is at least the peer of any State in the Union in its commitment to education in general, and to the community college concept in particular. During this past academic year, 79 junior colleges operated in California, 74 of them under public control. These colleges enrolled 84 of every 100 college students on the freshman and sophomore level. It should be obvious that anything which affects these schools adversely must, in turn, have adverse effects on California's entire educational program.

And the rigid 40-percent Federal share requirement does affect our junior colleges adversely. California's 1965 allotment for the public community college building program was approximately \$3.8 million. Forty-five institutions applied for grants out of this sum and were duly assigned priorities by the State commission, Foothill Junior College being rated No. 1. Now, it happens that Foothill's building plan called for an entire new campus entailing a total cost of about \$12 million. Of this sum, the Federal Government, remember, must pay 40 percent, or \$4.8 million. Consequently,

not only did the entire junior college allotment for 1965 go to that one institution, but, in addition, \$1 million of the 1966 allotment must go to Foothill before projects at other institutions can be funded.

I do not wish to impugn Foothill Junior College in any way. It is a fine institution. Since opening in 1958, it has grown to an enrollment of more than 8,000 students, and a second campus is definitely required. What I wish to say is this: If the State commission had been allowed to vary the Federal share of junior college projects, as it can with projects in 4-year institutions, Foothill could have received, say, 20 percent of the allotment, and the other funds could have been used to begin projects at some of the 44 other deserving junior colleges that were left waiting.

California does not present the only example of problems arising from the 40-percent Federal share provision in the act. In Alabama, 12 junior colleges applied for grants, but only 2 could be granted funds. In Michigan, 2 of 14 received grants; in New Jersey, 1 of 3; in Texas, 3 of 17; in Illinois, 1 of 3; in Missouri, 2 of 5; and so on.

I am happy to say that my colleagues on the special Subcommittee on Education have recognized the faulty aspect of an otherwise good program and have moved to remedy it by inserting the needed amendment in title V, H.R. 9567, the Higher Education Act of 1965. The amendment would remove the mandatory 40 percent Federal share provision for the junior college program, replacing it with language authorizing the State commission to establish the Federal share for each project, with the limitation that the Federal share can in no event exceed 40 percent.

I pledge my support for this measure when it reaches the floor. When it is passed, and I believe it must be passed, the Higher Education Act of 1965 should indeed stand as a model of Federal assistance to American education.

One of the most vital pieces of legislation before Congress this year is H.R. 9567, the bill to strengthen our colleges and universities and to provide assistance to students for education beyond the high school. This measure is imperative if we are to meet with any confidence the challenges of the future, for higher education has become central to even our most fundamental hopes.

During my lifetime one of the more significant developments has been this growing relevance of higher education for nearly every aspect of our lives. In an age marked by almost continual innovation and change, the requirements for well developed minds and skills increase daily. Awareness of these new requirements is evidenced in the swift rise in the percentage of the Nation's college-age population who attend college. For example, a quarter of a century ago only 14 percent of the Nation's 18- to 21-year-olds were enrolled in college. In 1963 the percentage was over 40 percent.

It has become a fact of life that more and better education is a primary requirement of our times and a necessity for the future. The magnitude of the

needs cannot be overstated. Scientists, scholars, and statisticians tell us over and over that we are living in a world of unprecedented rapid and revolutionary change. Education, particularly higher education must lead the way in preparing us to live midst this change. Alfred North Whitehead put it this way many years ago:

In the past the time span of important change was considerably longer than that of a single human life. Thus, mankind could be trained gradually to adapt. But today, the time span is considerably shorter than that of a human life and accordingly our training must prepare individuals to face a novelty of conditions.

Today our Nation can be only as strong as its educational resources.

As the headlines all too often indicate the problems in higher education are pressing. A veritable flood of students is seeking admission to colleges and universities and by 1970 a 50-percent rise in school enrollment is expected. Failure to make preparations for them will mean that 100,000 qualified high school graduates a year will not be able to enter college. Higher education is called upon to expand without sacrificing quality. The threat of our universities becoming "faceless factories" is also a very real problem. The costs of attending college are spiraling. The demands upon institutions of higher education made for public service and for involvement in community, national and international problems grow steadily.

These of course are only a few of the perplexing problems faced by higher education. Because our colleges and universities are priceless national resources, I strongly favor enactment of this measure to assist in correcting shortcomings and strengthening higher education.

The Higher Education Act of 1965 is a balanced and farsighted approach to some of the more serious deficiencies and needs in higher education.

First, the proposed act would help the colleges and universities in applying their resources to solving the complex problems of urban life much as they did in bringing progress to our farm and rural areas. Through a program of grants and contracts to universities and colleges continuing adult education and extension programs would be strengthened to assist in the solution of community problems. Some of the problems which would receive consideration are housing, poverty, government, recreation, employment, youth opportunities, transportation, health and land use.

Second, the act would attack library inadequacies in our institutions of higher education. At the present time the majority of our college and university libraries are below minimum standards and the situation is worsening. The college population explosion and the knowledge explosion are making it virtually impossible for these library resources to reach required levels of effectiveness. At the very core of the higher educational system, libraries are basic to the quality of education and usefulness of the institution. The proposed measure to assist colleges and universities to acquire much needed library materials, encourage new and enlarged programs of li-

brary training, and promote research and demonstration projects relating to the improvement of libraries and library and information sciences is urgently needed.

A third objective of the Higher Education Act would be to help developing institutions so that they might contribute fully to our higher education objectives. By raising the academic quality of some of our weaker colleges which have been hampered by lack of funds our educational resources would be strengthened immeasurably. We know that every college must be well staffed and well equipped and with an up-to-date curriculum in order to serve the needs of the student and society, yet an estimated 10 percent of our baccalaureate degree granting institutions are not accredited by the appropriate regional or professional association. The proposed program authorizes grants to institutions of higher education to help them in carrying out cooperative arrangements for such activities as exchange of faculty, visiting scholars, joint use of facilities such as libraries or laboratories, introduction of new curriculum, and other projects which would improve the developing institution.

Fourth and last, the Higher Education Act of 1965 would offer a program of student financial aids to make the benefits of higher education available to academically qualified students in need of financial assistance. As a Nation committed to human values and a belief in man's potentialities we cannot and must not fail to provide opportunities for every young person to develop his talents to the fullest of his ability. Higher education has become the chief way in which individual opportunity is realized. We are untrue to our democratic ideals if youths are barred from a college education because of their economic status.

The program of student assistance contained in the Higher Education Act gives priority to closing the gap which exists in equality of opportunity for attending college and attempts to make higher education a possibility for all. The program uses the "package" approach to include several types of student assistance to help meet the unique need of each student. Four types of assistance would be available including first, undergraduate scholarships to qualified high school graduates from low-income families; second, federally insured reduced interest loans from commercial lending sources for education beyond the high school; third, expansion of the work-study program under the Economic Opportunity Act of 1964 to provide part-time employment for college students; and fourth, extension and expansion of the national defense student loan program. I believe such a comprehensive program is necessary to stop the shameful waste of human talent—talent crucial to the national welfare.

America must strive to remain a truly great civilization. The strength of its educational resources will help us to do so. President Kennedy, addressing in audience in my home State of California, remarked:

In a time of turbulence and change, it is more true than ever that knowledge is power; for only by true understanding and steadfast judgment are we able to master the challenge of history. If this is so we must strive to acquire knowledge—and to apply it with wisdom.

Our institutions of higher education can be a reservoir of human resources necessary for meeting the challenge of history. I strongly support and urge enactment of the Higher Education Act of 1965.

Mr. COHELAN. Mr. Chairman, the demands on our colleges and universities today are greater than ever before. Every year more qualified students are graduating from high schools across our land. Every year the number who could benefit from a college education, and in turn make a greater contribution to our society, increases. Yet every year countless thousands are denied this opportunity because of limited facilities and thousands more are barred because they lack the necessary funds.

This bill before us today will not correct all of these faults, or eliminate every discrepancy. But it will help substantially to bring us closer to what must be our continually sought after goal, and that is an educational system that allows each and every American to pursue his schooling to the fullest extent of his capabilities.

My own State of California, Mr. Chairman, can take justifiable pride in its higher educational program which complements the resources of private universities and colleges with a coordinated system of public junior colleges, State colleges and the several campuses of the University of California. But extensive as this system is, it too needs to be expanded greatly, and as the hearings of the Committee on Education and Labor make clear, the requirements of other States to expand and improve their facilities and opportunities is nothing short of critical.

Previous programs to aid higher education, Mr. Chairman, have concentrated on improving facilities and providing student loan assistance. These have been important and I have supported them, but they have been deficient in one important respect, and that is their omission of scholarship grants to exceptionally needy students. This bill, I am pleased to say, has finally recognized the urgent need for such assistance and I strongly recommend that it be supported.

The other provisions of this bill deserve to be supported as well. Certainly the upgrading of college libraries, cooperative programs to aid struggling colleges, and a national teaching fellowship program to attract outstanding young scholars are all essential if the realities of our higher educational system are to match its promise and our expectations.

This legislation, Mr. Chairman, is thoroughly consistent with our tradition of Federal assistance to higher education which dates back to the Morrill Act of 1862, to the GI bills which assisted some 3 million veterans of World War II and the Korean conflict to attend college, and to the National Defense

Education Act which has aided more than 300,000 students in more than 1,500 institutions.

This legislation recognizes that nothing is more important than the fullest possible educational development of our human resources. It is, in brief, an investment in the future of America and I urge that it be passed by the House today.

Mr. BINGHAM. Mr. Chairman, I rise in support of H.R. 9567, the Higher Education Act of 1965. I can think of few bills which will be as valuable to our country and its citizens. A vital key to individual success is education and a key to the unique strength of our Nation is the unparalleled flow of creative ideas, social as well as scientific, that characterizes the United States. As we strengthen and improve our educational system, so we build the strength of our society.

The Higher Education Act of 1965 is aimed at the most pressing problems of colleges and universities, especially the mounting costs of advanced schooling. This is of special concern to my district where more than 20 percent of my constituents are students, nearly half of whom are either now in college or in secondary schools. With a median income of about \$6,400, the average family head in my district is anxious to make higher education available to his children but is caught in the squeeze between rising living costs and skyrocketing tuition charges.

I am pleased that special help is being extended in this bill to needy students through an increased educational opportunity grant program for the neediest. However, I find it equally significant that special aid will be extended through insured loan programs to families in the income group which is above the poverty level but below a \$15,000 annual income level, subject to adjustment based on size of family. Students from these families can get loans which draw no interest while the student is in college and which are to be repaid after completion of their education with a postcollege interest rate of 3 percent. These loans will therefore be of greater help to hard-pressed families than the loans now available under the New York State program.

Under this bill loans will also be available for families with higher incomes, but in such cases there will be no interest subsidy. This will parallel the New York program, and extend such loans to other States.

The expansion of the work-study program is also desirable. By means of Federal grants of 90 percent of the cost of the program—through June 1967, and 75 percent thereafter—300,000 students will be able to get part-time jobs which may yield as much as \$500 a year. I am pleased that, although preference for these jobs will be given to low-income families, students from modest circumstances can participate in the program if they need aid.

As we remove the financial barriers to higher education, it is fitting that we are also doubling the authorization for grants for construction of college facilities.

ties. The existing program has demonstrated its utility. In my own District earlier this year, both Manhattan College and Mount St. Vincent's secured grants for dormitory construction. Equally important is the doubling of grants for construction of graduate school facilities and the subsidy (up to 40 percent of cost) for State or community public colleges and public technical institutions.

This bill also provides valuable support for universities sponsoring community service projects aimed at solving specific urban problems and for improvement of library resources.

Mr. Speaker, we know, from Census data, that the college graduate will probably earn \$140,000 more in his lifetime than will the person without such education. However, the financial advance is only part of the benefit enjoyed by those who have had the chance fully to develop their talents, skills and aptitude. Our communities, our country and the free world will all be the beneficiaries of what we do here today.

Mr. BENNETT. Mr. Chairman, the thrust of this legislation is to strengthen, in many appropriate ways, the college level education opportunities in our country. Its assistance will be felt by the colleges, by the students and by the local taxpayers who have been unable to raise adequate funds for these worthy objectives. Perhaps here and there perfections could be made in the program, but on the whole it seems to be highly meritorious and I hope that it will pass without a dissenting vote.

Mr. FRELINGHUYSEN. Mr. Chairman, I rise in support of H.R. 9567, the Higher Education Act of 1965. While I regret that the committee did not give this particular bill more intensive consideration, it deals with a subject which has always held particular interest for me and proposes programs in an area I have always felt Federal action to be necessary and appropriate. Unlike secondary schools, institutions of higher education generally enroll students from widely scattered areas of the country and for this reason they represent national, rather than local, interests. In addition, the demands which our population growth is making on these institutions place a burden on higher educational facilities which makes Federal action appropriate. As a Member who has long supported Federal aid to higher education, I am pleased that the present legislation recognizes the responsibility of the national Government in this area.

I should also like to mention the fact that this bill emphasizes the development of our educational facilities both in size and in quality. This seems to me an important point. During the hearings on this bill, Education Commissioner Keppel stated the case for Federal initiatives in this area when he said that "higher education is no longer a luxury, but a necessity." I think it is important to recognize that the necessity to which Mr. Keppel referred is not that of possessing a university degree but that of developing a well-educated mind. I am pleased that the present legislation recognizes this fact.

Mr. SPRINGER. Mr. Chairman, on December 12, 1963, I expressed to the House of Representatives my deep satisfaction with the Higher Education Facilities Act of 1963.

Much has happened in higher education since that day, both in the way of legislation and on the campuses the act was designed to assist and influence. That bill which I approved at the time provided for matching grants to construct college facilities of all kinds, graduate as well as undergraduate. Loans for the same purpose were also made available. Authorized at that time also was \$230 million annually for undergraduate facilities with a set-aside for junior colleges and technical institutions, and for graduate institutions the amount was \$60 million per year.

Now, after 2 years of experience with the act, we have a bill before us to double that effort and to add some very desirable features which should materially assist our institutions in their struggle to provide high quality educational opportunity for every qualified student. The act of 1963 was predicated upon the assumption that enrollments would increase to 5,220,000 by 1965. Already that enrollment is 200,000 more than we had anticipated. At this rate our goals for the entire 5-year period must be drastically reassessed and revised. By 1970 the progress for which we had hoped would be a defeat and not a victory unless a more dramatic increase in college building can be brought about. Fortunately for everyone the colleges, particularly those institutions which traditionally assume the leadership, have forged ahead and stand ready to do what is required. Many of our institutions, despite great odds, can produce the funds needed to match much larger Federal grants. They have the projects ready. This is exactly what was intended when the original facilities act was passed. Whether the presence of the grants encouraged bold planning and clear vision of the future or just uncorked the flood of expansion long desired but dammed up by lack of funds will never be known. We do know that it is a mighty good thing that the race is on. The new version of the Higher Education Act of 1965 exactly doubles the funds authorized to be made available to build classrooms, laboratories, and the other desperately needed physical facilities which make the places in which education happens.

At the same time that we have been discovering the real magnitude of the building job some other deficiencies requiring prompt attention have come into focus and are now being tackled in the bill now before us. A college has some elements perhaps even more vital to its mission than the classrooms, laboratories, gymnasiums, dormitories, and those apparent things that spell "campus." If a university is anything it must be a collection of books and other sources of information for reference. It could truly be said that a well stocked university library can barely keep abreast of what is tritely called the "information explosion." A new school seeking to start and maintain a library adequate to the educational task

it intends to perform cannot hope to catch the train. School expansion and the adding of new departments further complicate an already hopeless situation. One-half of all 4-year colleges and most of the 2-year schools presently have inadequate libraries by almost any standard. Certainly by their own standards. Yet, with increasing cost of operations, most colleges find it possible to allocate no more than 5 percent of their total expenditures in this direction. To alleviate this situation the 1965 bill provides authorization for \$50 million in 1966 to provide a basic matching grant of \$5,000 to all schools which may be supplemented in those needing special assistance in amounts up to \$10 per full-time student. In addition, further assistance is possible to meet regional needs or stimulate joint projects.

The act of 1963 recognized that the only real answer to the great increase in new students was the State universities and the community colleges. The idea is sound and it is working as well as the academic world predicted. It does, however, present special problems. Expansion has been, usually, a matter of necessity. The matter of libraries has already been mentioned. But what of faculty? No one is apt to argue with the truism that a college is at a particular disadvantage. For reasons too obvious and numerous to list, a uniformly high grade faculty can hardly be expected. Dedicated leaders in all fields of education would like to help. Some fine graduates would also like to try their wings in these institutions if the price were not too high—if they could be assured of a reasonable monetary return for their efforts. An authorization of \$30 million of 1966 would be used to support cooperative agreements between schools, particularly to allow for the strong to help provide faculty strength through exchanges. Perhaps in the long run the most important assistance will be that which makes possible grants up to \$6,500 and \$400 per dependent to graduate students and junior faculty people while they teach at developing institutions.

Here then is a new, updated package to assist the colleges, as such. Student assistance, an indirect boost for the institution, is also provided in the 1965 act in the form of grants, loans, and work programs. In the medical education bill which comes from the Committee on Interstate and Foreign Commerce and of which I am an author and even more closely connected, student help in the form of loans and scholarships is also included.

In this same medical education bill is to be found some old and some new assistance to those colleges which have or aspire to have a medical school or other program of health professional training. H.R. 12, which 2 years ago became Public Law 88-129, authorized \$205 million over 3 years to build medical schools, dental schools, and other professional schools. H.R. 3141, reported out by the committee upon which I sit, authorizes an increase for these purposes over the next 3 years. This too has been based upon the superb performance by the institutions of learning. Sixty-three projects have been

funded and they will increase enrollments in these vital professions by 2,279. Already 18 medical schools are expanding and 6 entirely new ones are under way. If the funds in H.R. 3141 are matched, as I am sure they will be, there will be created 6,000 new first-year places. Moving at forced draft to produce medical professionals, as this program obviously means to do, we shall be hard put to maintain the present doctor-patient ratio in our country.

As successful as matching grants for construction have been and promise to be, they are obviously not enough. The colleges have been willing to assume the responsibility for increasing enrollments when accepting grants for construction. An amendment which I proposed 2 years ago made this a requirement. Despite the best efforts of the schools, there must be more inducement and assistance to further increase the number of doctors graduated in the years to come. And it must be stated at once. A student embarking now on the study of medicine does not become a general practitioner until 1972 and if he specializes he will not be fully qualified until 1975.

Aside from the problem of attracting the right students and easing the burden of the cost of a medical education the medical schools are facing increasing difficulties. These arise from a variety of situations. Teaching loads are heavier because of increased enrollments and the upsurge of continuing education for practitioners. Federal research is attractive from both a career and a monetary standpoint to the detriment of medical teaching. Medical school expenses rose 152 percent from 1957 to 1963. Student-faculty ratios which ideally are 4 to 1 for medical education are now as high as 7 to 1 in some places.

The answer, or part of it, lies in the provisions of H.R. 3141, which authorizes grants to all medical schools if they agree to increase enrollments by 2½ percent or 5 students, whichever is greater. After the first year they may receive \$25,000, plus \$500 per full-time student. Poorer schools undoubtedly will use this for faculty. Stronger schools may use it to strengthen curriculum or to experiment with innovations in medical education which will then benefit all schools, large and small. In addition to these general grants, there may also be special grants to schools needing additional assistance to stay accredited or to gain accreditation. Obviously the purpose here is to preserve any existing capacity for the production of medical personnel and build it to useful productivity, rather than lose it and build new schools—a costly and time-consuming process. Special grants may increase from a maximum of \$100,000 in 1966 to a maximum of \$400,000 in 1969. Both programs together authorize \$170 million over the next 4 years.

These two legislative proposals together represent a broad and ambitious attempt to strike at the roots of our educational troubles, as far as our institutions of higher learning are concerned. We have come a long way in the last few years. We have learned much and by the cooperation of the Congress, the

executive branch of the Federal Government and the academic world, it may be possible to capitalize upon that experience and strengthen our colleges and universities, including our health professional schools to meet the educational challenge facing our country. H.R. 9567 improves and expands the Higher Education Facilities Act of 1963. It meets the needs of higher education and is in the public interest.

Mr. MATSUNAGA. Mr. Chairman, I rise in support of H.R. 9567, the Higher Education Act of 1965.

It is recognized fact that the efficacy of higher education depends greatly upon its quality, its direction, and its extent. The tremendous increase in recent years of the enrollment in our colleges and universities is indicative not only of a growing population, but also of an awareness on the part of the population of the value of a college education. It is a very important consideration, therefore, that the college education which is today being acquired by our citizens, young and not-so-young alike, is not allowed to become inferior in quality as compared with that which was available to preceding generations of Americans. Our national interest demands that we maintain, yes, even improve, the quality of education which is being offered today by our institutions of higher learning.

There are constant reminders that we are in the midst of an age of automation. Even as we are deliberating on this bill which would provide much-needed assistance to our colleges and universities and the communities which they serve, two of our astronauts are in space demonstrating to the world the state of America's technological and scientific advancement. It is of primary importance if this country is to continue its position of leadership, that our college students of today and our country's leaders of tomorrow be provided with adequate and up-to-date tools of learning.

Our attention is directed with utmost urgency to the fact that the demand today for more professional, technical, and skilled workers is on the increase. We are told that in just 5 years we will need an additional 800,000 engineers and scientists. On the other hand, we are faced also with the frightening problem of having 1½ million employees lose their jobs to automation every year.

Mr. Chairman, all of this points to the increasing demands which are being made upon our institutions of higher learning. While our colleges and universities are struggling to provide our increasing number of young citizens with the learning and skills they seek, our institutions are being more and more saddled with the problem of providing for the increasing number of working adults in our urban population who recognize the need for and therefore seek advanced training and higher education.

H.R. 9567 would encourage and enable institutions of higher education to respond to these increased demands of the communities they serve. Community service programs which are provided for under title I of the bill, for example, will enable our colleges and universities to meet the sharper requirements of occu-

pational, social, and cultural competence sought by adults in our urban communities.

It has been my personal observation that books and higher education go hand in hand. It is entirely appropriate, therefore, that this legislation should also provide for the improvement and expansion of college and university libraries throughout the Nation.

Due to this rapidly increasing demand for higher education, many of our institutions are having their facilities taxed beyond capacity, with the alarming result that they are not offering education of an adequately high standard. The situation is correctly appraised by Commissioner of Education Keppel who states:

Perhaps if we did not need all our institutions we might turn our backs and allow only the fittest of our colleges to survive. This is a step we cannot afford. We must instead regard developing institutions as among our greatest challenges.

Title III of H.R. 9567 seeks to meet this challenge by providing a program to strengthen developing institutions.

It is reassuring that the area of student assistance is not being overlooked in this legislation. Through a program of grants and loans, students in need of financial assistance will be given assistance to meet the skyrocketing costs of a college education.

Mr. Chairman, in the face of America's exploding college and university population, we must provide a legislative program that will give proper direction to higher education, insuring its quality but without limiting its extent. This legislation will provide such a program. I urge a unanimous vote in favor of H.R. 9567.

Mr. GRABOWSKI. Mr. Chairman, one of the hallmarks of our age in America is the growing importance of higher education. More and more jobs at every level of our highly complex and technologically advanced civilization require not only a college degree, but also the knowledge and skills which a college education can give to an individual.

College training, once thought of as a luxury for only a few, is now becoming an essential for the many. Further higher learning at the graduate school level is also becoming more and more demanded.

This is why I think every representative to this Congress and, indeed, every American, should strongly support the bill before us at this time which promises to contribute immensely to strengthening American higher learning. This is H.R. 9567, the Higher Education Act of 1965.

The Higher Education Act of 1965 deserves our support however not just because it is a bill to aid American higher education. Rather it deserves our enthusiasm because it is a well-designed and carefully thought out piece of education legislation which is aimed at supporting higher learning, and higher learning opportunities, in our country in a number of very important and very specific ways.

Each provision of H.R. 9567 applies to a different, but equally pressing need in, or closely related to, higher learning.

First of all, we know that one of the big immediate needs in higher education is to make our colleges and universities capable of being used to help us solve some of our critical social problems of urban living. We live in an age which is becoming increasingly urbanized, as we all know. And, this urbanization has caused, and is causing, major problems to both urban and suburban living in such areas as traffic, zoning, water and air pollution, juvenile delinquency, housing, unemployment, and intergroup and race relations. We need all the help we can get to solve these problems—and in this effort the potentially great and powerful intellectual resources of our institutions of higher education could be extremely helpful.

Title I of the Higher Education Act of 1965, community service programs, would give our higher education institutions just the boost they need to start and maintain programs that could assist communities to find solutions to their difficulties. Basically, the 5-year program under this title would give funds to these institutions so that they could sponsor educational programs, activities, or services which would be specifically designed to assist in the solution of urban or suburban problems.

Now, getting to the needs of some vital university resources themselves, we see that one of the most important demands on any institution of higher learning today is on its libraries and library resources. With the explosion in knowledge over the past few years, access to thousands of updated books, to say nothing of the "classics," is more important than ever. Also, the needs of increasing enrollments at all levels is not only for more books, but for more trained library personnel to help them use library resources more effectively.

Title II of H.R. 9567 would help strengthen our colleges and universities in this vital library area. This title, College Library Assistance and Library Training and Research, would establish 5-year programs of grants to assist institutions of higher education to acquire books and certain other materials for library purposes, to train persons in librarianship, and it would aid the Library of Congress to improve its resources for the uses of scholarship.

Title III of the Higher Education Act of 1965, Strengthening Developing Institutions, would hit at yet another crucial area of American higher learning. It would grant aid to our numerous schools at this level which have the potential for being fine educational institutions but which, at present, for lack of funds and for other reasons, have not achieved the high quality of educational offering which America needs. The Federal funds would help these schools, called "developing institutions", to grow stronger through grants for planning, developing, and carrying out cooperative arrangements (between institutions, agencies, organizations, or businesses and developing institutions) which promise to strengthen the academic programs in these schools. In addition, national teaching fellowships would be awarded to highly qualified graduate stu-

dents and junior members of the faculty of colleges and universities to encourage such individuals to teach at these developing schools.

Then, in title IV, of the Higher Education Act of 1965, we come to the large and critical area of providing essential help for American youth to attend and take advantage of the learning in our institutions of higher education. This title, student assistance, is made up of three parts, each one designed to help our young people acquire the funds to finance their college educations.

First, outright educational opportunity grants would be made to needy but able youth to help them pay for their college education. In light of our current war on poverty, these scholarships for needy college youth are particularly appropriate. Then, a system of Federal, State, and private programs of low-interest insured loans to students in institutions of higher education would be supported with the Federal Government actually insuring certain loans and paying a portion of the interest on certain loans. Finally, the already existing college work-study program which aids youth, particularly youth from low-income families, to earn money and go to school at the same time, would be expanded.

It is clear that the aim of these provisions for various types of student assistance under the Higher Education Act of 1965 is to help all American youth who have the intelligence and ability for college where they belong—and where they can acquire the educated talent which our country needs.

Finally, by amending the Higher Education Act of 1963, title V of H.R. 9567 broadens aid for construction of undergraduate college facilities to better assure our Nation's colleges the building funds they need to keep up with our rapidly expanding college enrollments.

The Higher Education Act of 1965, in each of its provisions that I have briefly mentioned, makes concrete plans for spending Federal money to meet some of the most vital present needs of America's colleges and universities. With our support, the promise that this bill holds for building American higher learning can become a reality—and our Nation can be well on the way to fashioning the greatest system of advanced learning ever known to a democracy.

I, therefore, urge each and every American to support H.R. 9567—the Higher Education Act of 1965.

Mr. AYRES. Mr. Chairman, it is with particular pleasure that I support the enactment of H.R. 9567, the Higher Education Act of 1965. Fundamentally, this is a good bill that we bring to the House today from the Committee on Education and Labor. At the same time, I do recommend that we earnestly consider proposed amendments and that the House exercise its own judgment on important issues raised.

This is the course of independence we should have followed on the recent poverty bill and on the education bill. Had we done so, both these measures would have been strengthened appreciably. H.R. 9567 is a far better bill, and more

carefully worked upon in subcommittee, than either of those I have mentioned. In no small measure, this is a tribute to the integrity and judgment of the gentlewoman from Oregon [Mrs. GREEN], and the gentleman from Minnesota [Mr. QUINN], who respectively are chairman and ranking minority members of the Special Subcommittee on Education.

Mr. Chairman, as ranking Republican on our committee I take considerable pride in the bipartisan, or nonpartisan, approach taken to legislation dealing with our colleges and universities. This is not always easy to maintain, but the intention on our side is to do so in the national interest. Fortunately, the history of Federal action to aid higher education is one in which both political parties share credit.

This history began with the Land Grant College Act in 1862 during the Presidency of Abraham Lincoln, which was expanded by the second Morrill Act of 1890 during the Presidency of Benjamin Harrison. In recent times we saw large-scale student assistance in the NYA and student war loan programs under President Roosevelt, but the most dramatic Federal impact on our colleges and universities came with the bipartisan GI bill of rights under President Truman. This measure, perhaps more than any other, kindled the aspirations of young Americans for a college education.

The GI bill proved to be one of those unique happenings in history, a catalyst which greatly accelerated our progress toward universal education and profoundly affected society in the process. Under that act, 2,200,000 men and women attended colleges and universities, and another 3.5 million attended schools below the college level. Our educational establishment was revitalized and the benefits of this massive dose of learning extend into every aspect of our national life.

The administration of President Eisenhower brought a new and needed emphasis on programs to improve the quality of higher education and to enhance the ability of institutions to meet mounting demands upon them. The National Science Foundation programs—particularly those dealing with teacher training—were vastly expanded, and the National Defense Education Act was enacted to carry out the President's recommendations.

The fellowship program in National Defense Education Act represents the first Federal attack on the problem of meeting the demand for fully qualified faculty members. The language and area study centers assist our universities in overcoming our woeful neglect of languages spoken by tens of millions of people in the emerging nations of Africa and Asia, a program of vital importance to American diplomacy and business, as well as to our cultural and scholarly development.

In a very real sense, the National Defense Education Act student loan program has sustained and carried forward the educational momentum generated by the GI bill. Over 600,000 students

have been assisted to attend college, and as many as 450,000 may be aided in the current fiscal year.

President Eisenhower in 1959 also recommended enactment of a college facilities construction bill. Unfortunately, the Congress did not follow this suggestion, which finally was carried out in 1963 under the Presidency of John F. Kennedy. The College Facilities Act of 1963 is making a major, if tardy, contribution to providing the physical plant for a tidal wave of college enrollments. I am proud to say that Republican members of our committee made major contributions to the shaping of that legislation.

Mr. Chairman, these programs on behalf of American higher education reflect the careful analysis and painstaking work of Republican and Democratic members alike. It is important that we keep this fact in mind as we discuss H.R. 9567. It is also useful to recall that the history of Federal interest in higher education is a long one, and that major legislation in this field is no recent phenomenon.

Mr. MINISH. Mr. Chairman, I rise today to express my support for H.R. 9567. I am a practical man, and to me this legislation makes plain good sense. It is highly consistent with the aims of this 89th Congress. It is broad and far reaching affecting in one way or another almost every college in the country. At the same time the bill is as intimate as a personal relief bill reaching into individual households and largely determining the entire future of a beneficiary of an opportunity grant.

I would like to comment on the very close relationship of these opportunity grants and the Great Society. The President has called education the "number one business of the American people," and he is right in so many ways. We all know that our country has reached the point where special skills and a highly trained working force are of vital national concern. This was recognized in 1958 when Congress enacted the National Defense Education Act; it is even more true today. Mr. Speaker, the dollars spent on opportunity grants and government loans to students can be justified if for no other reason than on the grounds of a sound economic investment.

Our economy as well as our society revolves around the abilities acquired in colleges. How much more valuable to our economy is a person with the advantage of 4 years of college at a cost to the Federal Government of say \$2,000 than that same person who must immediately seek employment after high school for lack of that vital \$500 per year. This man faces a lifetime earning less than his fellow high school graduate who went to college. He is faced with job insecurity while technical jobs go begging because of lack of college graduates and we hear so much about structural unemployment.

And we must not forget the human element. I get letters every month in my office describing what I have just out-

lined. Parents and high school graduates looking for some way to be able to afford college. A plea that must be made out of necessity; a plea that must be answered by a Great Society; a plea that very often cannot be answered under existing programs. Our country needs college graduates; yet there are thousands of well qualified youngsters who cannot make it from high school to the campus; H.R. 9567 will lessen this problem.

What will happen when our children arrive at their college? We need not dwell on the problems of institutions that must expand their facilities to accommodate more than 2 million more students in the next 6 years. However, I certainly hope that the university of 1970 will not be like 50 percent of our present colleges that have less than 50,000 volumes in their libraries. As Commissioner Keppel pointed out in the hearings before the Special Subcommittee on Education the library resources of many of our schools are shockingly inadequate.

Section II of this bill will greatly aid our libraries in providing not only books but also the many special services which are so necessary to modern education. The supplemental grants provided by this section will be a great help in expanding the libraries of schools that need it most.

Sections I and III will offer the chance for the larger universities to broaden their horizons and take a more active part in our society. Hopefully the community service programs established by section I will be a fraction of the boon to our growing urban communities that the Smith-Lever Act of 1914 was to our farms. If so that money will have been wisely spent.

Cooperation between schools such as the Brown-Tougaloo program is certainly to be encouraged. As the hearings before the subcommittee brought out we cannot suffer 10 percent of our institutions of higher education to be below minimum standards. With the increasing numbers of students and the scarcity of facilities, this is a luxury that we cannot afford. Cooperative programs offer a satisfactory solution to many of the problems confronting the smaller institution. The seven such programs that now exist must be increased. I would like to point out that the programs of title II are not as costly as outright grants to the needy college and are probably more effective.

Mr. Chairman, as I see it, this bill will raise the general level of education in our country. It will increase the number of students who can go to college by decreasing the role of sufficient family income as an admission requirement. It will help our libraries, increase construction, and give the large universities and established schools a chance to serve both their communities and less fortunate fellow colleges.

The funds to be allocated through the Higher Education Act of 1965 will represent a wise investment for the future—for our society must be an educated society. I urge this body to act favorably

on this most important piece of legislation.

Mr. DONOHUE. Mr. Chairman, this education bill before us, H.R. 9567, could well be one of the most important legislative instruments ever presented to the Congress and I most earnestly hope it will be shortly and overwhelmingly approved.

This afternoon we have heard a most impressive recital of expert and authoritative testimony to show the incredible growth, over these past 10 years, of the number of students entering our higher institutions of learning and the dramatic expansion, since the end of World War II, in the number of colleges and universities attempting to properly educate and train these students. In the 10 years ahead it is reliably anticipated that the student population will almost double to a figure of some 8 million and, very likely, the number of colleges will increase proportionately.

As this phenomenal growth has occurred its increasing impact upon our higher educational institutions has developed a number of complicated problems and revealed a number of unhappy deficiencies.

In too many instances academic quality has apparently been too often sacrificed for the sake of growth. In addition, a great many of our colleges and universities, in the face of this unparalleled student demand, are afflicted with overcrowded classrooms, a very serious lack of physical facilities and qualified teachers, inadequate library services and insufficient scholarship and loan programs to permit qualified and ambitious students, from financially pressed families, to continue their education.

Therefore, the purpose of this legislation, as President Johnson has indicated, is to meet some of the basic desperate needs of higher education in this country today by projecting Federal programs for the construction and expansion of undergraduate and graduate academic facilities, to extend the opportunity for higher education more broadly among the qualified students of lower- and middle-income families, to help the smaller and newer colleges and institutions to improve their teaching programs and enlarge their faculties, and to enrich the library resources of colleges and universities.

At this point, Mr. Chairman, I think it is most pertinent to emphasize that there is a section in this bill that specifically prohibits any Federal direction, supervision or control over the curriculum or administration of any educational institution embraced in this bill.

Mr. Chairman, the basic objective of this legislation is to foster and to nourish the talents we need to preserve the security and insure the progress of this Nation now and hereafter. These talents, for development, reside in the youth of our Nation. This bill represents an investment in our youth by providing the means for the fulfillment of the individual's capacity for intellectual and personal development through advanced

educational training. Such a fulfillment returns an untold contribution to our society of economic, scientific, cultural, and social benefits. As Benjamin Franklin so well said long ago, "an investment in knowledge pays the best interest."

Very truly the continuing welfare of a nation primarily depends on the investment it makes in the human capacities of the citizens who live in it.

Mr. Chairman, upon our best judgment, but quite often with real misgiving and doubt about future benefits, we authorize a great many investments here in this body every year. Today we have the opportunity of approving a reasonable investment in the young people of this country, an investment about which there can be no doubt at all of the future benefit that will be returned to the Nation. Let us, then, wisely adopt this measure, in the national interest, without further delay.

Mr. RYAN. Mr. Chairman, I rise in strong support of H.R. 9567, the Higher Education Act of 1965.

Back in March of this year, as the House debated the Elementary and Secondary Education Act, all of us were paying careful attention to the exploits of Virgil Grissom and John Young in the first manned Gemini flight. Today, as we consider the higher education bill, our thoughts again inevitably turn upward, as Charles Conrad and Gordon Cooper revolve around the earth in their record-breaking Gemini V mission. The similarity between these two events is significant, for it is education which has put us into space, just as it is education which has enabled us to move to the fore in so many terrestrial spheres. Progress far above, and in many areas here on earth, may seem more dramatic and more impressive than advances in education, but we must remember always that the former is dependent upon the latter. Education has been one of the backbones of America.

The importance of education to our Nation makes it incumbent upon the Congress to do all within its power to remedy any shortcomings in the American educational system. This is a challenge which we cannot shirk.

We have made great attempts at living up to our obligations in this field. In 1962, we enacted the Educational Television Facilities Act and the Manpower Development and Training Act, and we amended the National School Lunch Act. In 1963, there were the Health Professions Educational Assistance Act, the Higher Education Facilities Act, and the Vocational Education Act, among others. Last year, we passed the Library Services and Construction Act and the Economic Opportunity Act, as well as broadening and extending the National Defense Education Act. And this year we passed the ground-breaking Elementary and Secondary Education Act.

Yes; we have done much in this field, but we have also recognized that a great deal remains to be done. Further, we have realized that some of the gaps in our educational structure are so large as to defy repair by means of State, local, and private resources alone. The proposal before us, H.R. 9567, is based upon this twin realization.

It is a comprehensive bill. Title I provides support for universities sponsoring community service projects aimed at solving specific urban and suburban problems. It is an attempt to deal directly with the increasingly important area of interplay between the institution of higher learning and the community of which it is a part. It will work toward involving the best of the academic world with the world at large.

Title II is aimed at improving college library resources through grants for the purchase of books and the training of librarians. I need not emphasize the importance of the library to the institution of higher education. An institution cannot be great if its library is inadequate. Yet, recent figures show that only 27 percent of the Nation's 4-year colleges and 9 percent of its junior colleges have libraries which came up to the minimum standard for size of collection as set forth by the American Library Association; that only 28 percent of the 4-year schools and 14 percent of the 2-year institutions meet the minimum standard for number of trained library personnel; and that in well over half of all the colleges and universities in the country, library expenditures account for under 5 percent of total educational and general expenditures. In my own State of New York, less than half of our collegiate libraries meet the minimum standard for size of collection. Title II would help to alleviate this shocking situation.

In title III, we are aiming at the strengthening of cooperative university programs, which have proved to be such a great boon to our educational system. These arrangements have the great advantage of drawing the weaker institutions closer to the mainstream of academic excellence. Furthermore, they help make greater educational facilities available to all institutions. An important part of title III would authorize the Commissioner of Education to award fellowships to exceptionally capable graduate students and to younger faculty members to encourage them to serve as teachers in developing institutions.

I consider title IV to be the most important section of this vital bill. It provides for a coordinated program of assistance to graduate and undergraduate students, especially those from low and middle-income families. This would be done through an increase in National Defense Educational Act student loan assistance, and the initiation of educational opportunity grants for exceptionally needy students through the establishment of State student loan insurance programs; through the establishment of a federally guaranteed student loan program, with partial payment of the interest charges for needy students; and through the expansion and improvement of college work-study programs. The costs of attending college today are skyrocketing. I cannot help thinking of an article in the Wall Street Journal last April 19, describing the finances of a typical Columbia student. It costs this student \$3,400 a year—over \$13,000 for the full 4 years—to attend Columbia, one of the Nation's finest educational institutions, which is located in my district. Only through a com-

bined program of scholarship grants, guaranteed loans, and work-study activities can we help students meet these enormous costs.

Title V doubles the amount available for construction grants to universities for academic facilities—to help meet the urgent classroom shortage—and title VI establishes an advisory council to the House Committee on Education and Labor to report on the programs authorized by the present bill and make suitable recommendations.

Mr. Chairman, our national collegiate enrollment has ballooned to 5.4 million students. This is almost double the number of 10 years ago. Yet, by 1980, there will be over 10 million students.

Our colleges and universities are not capable of meeting the oncoming flood of students on their own. They need our help. They have appealed for aid to the traditional sources of State, local, and private financing—and these sources have often responded liberally—but our Nation's institutions are still in need. They have had to raise tuition and fees to a back-breaking level, putting more and more of the burden directly on the student, only to end up with buildings still unbuilt, books still unbought, teachers still unhired, and many educational commitments still unmet.

The bill before us represents a carefully planned, total program to meet the very urgent need which exists. It would place a small portion of our huge Federal resources in the service of American higher education. This money would be used to strengthen and improve our colleges and universities in their areas of deficiency, and it would serve to make higher education a reality to many thousands of Americans for whom, because of their financial status, such education has heretofore been but a dream.

Mr. Chairman, we are not talking today about spending. We are talking about investment—sound investment. It is an investment I support without reservation. I urge my colleagues to quickly enact into law this major effort to improve our Nation's higher education.

The CHAIRMAN. There being no further requests for time, pursuant to the rule, the Clerk will now read the bill by titles instead of sections.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Higher Education Act of 1965".

TITLE I—COMMUNITY SERVICE PROGRAMS
Declaration of Purpose; Appropriations Authorized

SEC. 101. (a) The Congress finds that a greater involvement of institutions of higher education in the solution of problems brought about by increasing urbanization is essential to the rapid and effective solution of such problems. The Congress also finds that an increase in the availability of educational offerings by institutions of higher education for persons in the community is necessary in order to insure that the latest knowledge and techniques are brought to bear on urban and suburban problems. The Congress further finds that a strengthening of the resources of institutions of higher education

is desirable in order to facilitate a more effective utilization of such resources in meeting the growing needs of our urban and suburban communities. The Congress, therefore, declares that the purpose of this title is to provide a program of support for institutions of higher education in their establishing and maintaining community service programs designed to achieve these ends.

(b) There are authorized to be appropriated \$50,000,000 for the fiscal year ending June 30, 1966, to enable the Commissioner to make grants under this title. For the fiscal year ending June 30, 1967, and each of the three succeeding fiscal years, there may be appropriated, to enable the Commissioner to make such grants, only such sums as the Congress may hereafter authorize by law.

Definition of Community Service Program

SEC. 102. For purposes of this title, the term "community service program" means—

(1) an educational program, activity, or service, including a research program, which is specifically designed to assist in the solution of urban or suburban problems, or

(2) an educational program, activity, or service which is designed to assist in the solution of community problems where the institution offering such program, activity, or service determines—

(A) that the proposed program, activity, or service is not otherwise available, and

(B) that the conduct of the program or performance of the activity or service is consistent with the institution's overall educational program and is of such a nature as is appropriate to the effective utilization of the institution's special resources and the competencies of its faculty.

Where such an educational program, activity, or service involves course offerings, such courses must be university extension or continuing education courses and must be—

(i) fully acceptable toward an academic degree, or

(ii) of college level as determined by the institution offering such courses, except, in no event, shall such courses be of a frivolous nature.

Allotments to States

SEC. 103. (a) Of the sums appropriated pursuant to section 101 for each fiscal year, the Commissioner shall allot \$25,000 each to Guam, American Samoa, the Commonwealth of Puerto Rico, and the Virgin Islands and \$100,000 to each of the other States; and he shall allot to each State an amount which bears the same ratio to the remainder of such sums as the population of the State bears to the population of all States.

(b) The amount of any State's allotment under subsection (a) for any fiscal year which the Commissioner determines will not be required for such fiscal year for carrying out the State plan (if any) approved under this title shall be available for reallocation from time to time, on such dates during such year as the Commissioner may fix, to other States in proportion to the original allotments to such States under such subsection for such year, but with such proportionate amount for any of such States being reduced to the extent it exceeds the sum the Commissioner estimates such State needs and will be able to use for such year for carrying out the State plan; and the total of such reductions shall be similarly reallocated among the States whose proportionate amounts were not so reduced. Any amount reallocated to a State under this subsection during a year from funds appropriated pursuant to section 101 shall be deemed part of its allotment under subsection (a) for such year.

(c) In accordance with regulations of the Commissioner, any State may file with him a request that a specified portion of its allotment under this title be added to the allotment of another State under this title for the purpose of meeting a portion of the Fed-

eral share of the cost of providing community service programs under this title. If it is found by the Commissioner that the programs with respect to which the request is made would meet needs of the State making the request and that use of the specified portion of such State's allotment, as requested by it, would assist in carrying out the purposes of this title, such portion of such State's allotment shall be added to the allotment of the other State under this title to be used for the purpose referred to above.

(d) The population of a State and of all the States shall be determined by the Commissioner on the basis of the most recent satisfactory data available from the Department of Commerce.

Uses of Allotted Funds

SEC. 104. A State's allotment under section 103 may be used, in accordance with its State plan approved under section 105(b), to provide new, expanded, or improved community service programs.

State Plans

SEC. 105. (a) Any State desiring to receive its allotment of Federal funds under this title shall designate or create a State agency or institution which has special qualifications with respect to solving community problems and which is broadly representative of institutions of higher education in the State which are competent to offer community service programs, and shall submit to the Commissioner through the agency or institution so designed a State plan. If a State desires to designate for the purposes of this section an existing State agency or institution which does not meet these requirements, it may do so if the agency or institution takes such action as may be necessary to acquire such qualifications and assure participation of such institutions, or if it designates or creates a State advisory council which meets the requirements not met by the designated agency or institution to consult with the designated agency or institution in the preparation of the State plan. A State plan submitted under this title shall be in such detail as the Commissioner deems necessary and shall—

(1) provide that the agency or institution so designated or created shall be the sole agency for administration of the plan or for supervision of the administration of the plan; and provide that such agency or institution shall consult with any State advisory council required to be created by this section with respect to policy matters arising in the administration of such plan;

(2) set forth a comprehensive, coordinated, and statewide system of community service programs under which funds paid to the State (including funds paid to an institution pursuant to section 106(b)) under its allotments under section 103 will be expended solely for community service programs which have been approved by the agency or institution administering the plan;

(3) set forth the policies and procedures to be followed in allocating Federal funds to institutions of higher education in the State, which policies and procedures shall insure that due consideration will be given—

(A) to the relative capacity and willingness of particular institutions of higher education (whether public or private) to provide effective community service programs;

(B) to the availability of and need for community service programs among the population within the State; and

(C) to the results of periodic evaluations of the programs carried out under this title in the light of information regarding current and anticipated community problems in the State;

(4) set forth policies and procedures designed to assure that Federal funds made available under this title will be so used as not to supplant State or local funds, or funds of institutions of higher education, but supplement them, and, to the extent

practicable, increase the amounts of such funds that would in the absence of such Federal funds be made available for community service programs;

(5) set forth such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the State (including such funds paid by the State or by the Commissioner to institutions of higher education) under this title; and

(6) provide for making such reports in such form and containing such information as the Commissioner may reasonably require to carry out his functions under this title, and for keeping such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports.

(b) The Commissioner shall approve any State plan and any modification thereof which complies with the provisions of subsection (a).

Payments

SEC. 106. (a) Payment under this title shall be made to those State agencies and institutions which administer plans approved under section 105(b). Payments under this title from a State's allotment with respect to the cost of developing and carrying out its State plan shall equal 75 per centum of such costs for the fiscal year ending June 30, 1966, and 50 per centum of such costs for the fiscal year ending June 30, 1967, and each of the three succeeding fiscal years, except that no payments for any fiscal year shall be made to any State with respect to expenditures for developing and administering the State plan which exceed 5 per centum of the costs for that year for which payment under this subsection may be made to that State. In determining the cost of developing and carrying out a State's plan, there shall be excluded any cost with respect to which payments were received under any other Federal program.

(b) Payments to a State under this title may be in installments and in advance or by way of reimbursement with necessary adjustments on account of overpayments or underpayments, and they may be paid directly to the State or to one or more participating institutions of higher education designated for this purpose by the State, or to both.

Administration of State plans

SEC. 107. (a) The Commissioner shall not finally disapprove any State plan submitted under this title, or any modification thereof, without first affording the State agency or institution submitting the plan reasonable notice and opportunity for a hearing.

(b) Whenever the Commissioner, after reasonable notice and opportunity for hearing to the State agency or institution administering a State plan approved under section 105(b), finds that—

(1) the State plan has been so changed that it no longer complies with the provisions of section 105(a), or

(2) in the administration of the plan there is a failure to comply substantially with any such provision,

the Commissioner shall notify the State agency or institution that the State will not be regarded as eligible to participate in the program under this title until he is satisfied that there is no longer any such failure to comply.

Judicial Review

SEC. 108. (a) If any State is dissatisfied with the Commissioner's final action with respect to the approval of its State plan submitted under section 105(a) or with his final action under section 107(b), such State may, within sixty days after notice of such action, file with the United States court of appeals for the circuit in which the State is located a petition for review of that action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the

Commissioner. The Commissioner thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code.

(b) The findings of fact by the Commissioner, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Commissioner to take further evidence, and the Commissioner may thereupon make new or modified findings of fact and may modify his previous action, and shall certify to the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

(c) The court shall have jurisdiction to affirm the action of the Commissioner or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

National Advisory Committee on Community Service Programs

SEC. 109. (a) The Commissioner shall establish in the Office of Education a National Advisory Committee on Community Service Programs (hereinafter referred to as the "Advisory Committee"), consisting of the Commissioner, who shall be Chairman, one representative each of the Departments of Agriculture, Commerce, Defense, Labor, Interior, and State, of the Housing and Home Finance Agency and the Office of Economic Opportunity, and of such other Federal agencies having extension education responsibilities as the Commissioner may designate, and six members appointed, for staggered terms and without regard to the civil service laws, by the Commissioner with the approval of the Secretary of Health, Education, and Welfare. Such six members shall, to the extent possible, include persons knowledgeable in the field of extension and continuing education, State and local officials and other persons having special knowledge, experience, or qualification with respect to community problems, and persons representative of the general public. The Advisory Committee shall meet at the call of the Chairman but not less often than twice a year.

(b) The Advisory Committee shall advise the Commissioner in the preparation of general regulations and with respect to policy matters arising in the administration of this title, including policies and procedures governing the approval of State plans under section 105(b).

(c) Members of the Advisory Committee who are not regular full-time employees of the United States shall, while serving on the business of the Advisory Committee, be entitled to receive compensation at rates fixed by the Secretary, but not exceeding \$100 per day, including travel time; and, while so serving away from their homes or regular places of business, members may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b-2) for persons in the Government service employed intermittently.

Review of Community Service Programs and of the Provisions of This Title

SEC. 110. (a) The Secretary shall, during 1968, appoint a Review Council on Community Service Programs (hereafter in this title referred to as the "Council") for the purpose of reviewing the administration of community service programs for which funds are appropriated pursuant to this title and making recommendations for the improvement of that administration, and for purpose of reviewing the effectiveness of and making recommendations with respect to these community service programs and with respect to this title.

(b) The Council shall be appointed by the Secretary without regard to the civil service laws and shall consist of twelve persons who shall, to the extent possible, include persons knowledgeable in the field of extension and continuing education, State and local officials having special knowledge, experience, or qualification with respect to community problems, and persons representative of the general public.

(c) The Secretary is authorized to engage such technical assistance as may be required to carry out the functions of the Council, and the Secretary shall, in addition, make available to the Council such secretarial, clerical, and other assistance and such pertinent data prepared by the Department of Health, Education, and Welfare as it may require to carry out its functions.

(d) The Council shall make a report of its findings and recommendations (including recommendations for changes in the provisions of this title) to the Secretary, such report to be submitted not later than March 31, 1969, after which date such Council shall cease to exist. The Secretary shall transmit such report to the President for transmittal to the Congress together with his comments and recommendations.

(e) Members of the Council who are not regular full-time employees of the United States shall, while serving on business of the Council, be entitled to receive compensation at rates fixed by the Secretary, but not exceeding \$100 per day, including travel time; and while so serving away from their homes or regular places of business, members may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b-2) for persons in Government service employed intermittently.

Relationship to Other Extension Programs

SEC. 111. Nothing in this title shall modify authorities under the Act of February 23, 1917 (Smith-Hughes Vocational Education Act), as amended (20 U.S.C. 11-15, 16-28); the Vocational Education Act of 1946, as amended (20 U.S.C. 15i-15m, 15o-15q, 15aa-15jj, and 15aaa-15ggg); the Vocational Education Act of 1963 (20 U.S.C. 35-35n); title VIII of the Housing Act of 1964 (Public Law 88-560); or the Act of May 8, 1914 (Smith-Lever Act), as amended (7 U.S.C. 341-348).

TITLE II—COLLEGE LIBRARY ASSISTANCE AND LIBRARY TRAINING AND RESEARCH

Part A—College library resources

Appropriations Authorized

SEC. 201.—There are authorized to be appropriated \$50,000,000 for the fiscal year ending June 30, 1966, to enable the Commissioner to make grants under this part to institutions of higher education to assist and encourage such institutions in the acquisition for library purposes of books, periodicals, documents, magnetic tapes, phonograph records, audiovisual materials, and other related library materials (including necessary binding). For the fiscal year ending June 30, 1967, and each of the three succeeding fiscal years, there may be appropriated, to enable the Commissioner to make such grants, only such sums as the Congress may hereafter authorize by law.

Basic Grants

SEC. 202. From 75 per centum of the sums appropriated pursuant to section 201 for any fiscal year, the Commissioner is authorized to make basic grants for the purposes set forth in that section to institutions of higher education and combinations of such institutions. The amount of a basic grant shall not exceed \$5,000 for each such institution, and a basic grant under this subsection may be made only if the application therefor is approved by the Commissioner upon his determination that the application (whether

by an individual institution or a combination of institutions)—

(a) provides satisfactory assurance that the applicant will expend during the fiscal year for which the grant is requested (from funds other than funds received under this part) for all library purposes (exclusive of construction) (1) an amount not less than the average annual amount it expended for such purposes during the two-year period ending June 30, 1965, and (2) an amount (from such other sources) equal to not less than the amount of such grant;

(b) provides satisfactory assurance that the applicant will expend during the fiscal year for which the grant is requested (from funds other than funds received under this part) for books, periodicals, documents, magnetic tapes, phonograph records, audiovisual materials, and other related materials (including necessary binding) for library purposes an amount not less than the average annual amount it expended for such materials during the two-year period ending June 30, 1965;

(c) provides for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the applicant under this section; and

(d) provides for making such reports, in such form and containing such information, as the Commissioner may require to carry out his functions under this section, and for keeping such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports.

Supplemental Grants

SEC. 203. (a) From the remainder of such 75 per centum of the sums appropriated pursuant to section 201 for any fiscal year, the Commissioner is authorized to make supplemental grants for the purposes set forth in that section to institutions of higher education and combinations of such institutions. The amount of a supplemental grant shall not exceed \$10 for each full-time student (including the full-time equivalent of the number of part-time students) enrolled in each such institution, as determined pursuant to regulations of the Commissioner. A supplemental grant may be made only upon application therefor, in such form and containing such information as the Commissioner may require, which application shall—

(1) meet the application requirements set forth in section 202 except for the matching requirement set forth in paragraph (a) (2) of that section;

(2) describe the size and quality of the library resources of the applicant in relation to its present enrollment and any expected increase in its enrollment;

(3) set forth any special circumstances which are impeding or will impede the proper development of its library resources; and

(4) provide a general description of how a supplemental grant would be used to improve the size or quality of its library resources.

(b) The Commissioner shall approve applications for supplemental grants on the basis of basic criteria prescribed in regulations and developed after consultation with the Council created under section 205. Such basic criteria shall be such as will best tend to achieve the objectives of this part and they may take into consideration factors such as the size and age of the library collection, student enrollment, and endowment and other financial resources.

Special Purpose Grants

SEC. 204. Twenty-five per centum of the sums appropriated pursuant to section 201 for each fiscal year, plus any part of the remainder of such sums as the Commissioner determines will not be needed for making grants under sections 202 and 203, shall be used by the Commissioner to make special

grants (a) to institutions of higher education which demonstrate a special need for additional library resources and which demonstrate that such additional library resources will make a substantial contribution to the quality of their educational resources, (b) to institutions of higher education to meet special national or regional needs in the library and information sciences, and (c) to combinations of institutions of higher education which need special assistance in establishing joint-use facilities. Grants under this section may be used only for books, periodicals, documents, magnetic tapes, phonograph records, audiovisual materials, and other related library materials (including necessary binding).

Advisory Council on College Library Resources

SEC. 205. (a) The Commissioner shall establish in the Office of Education an Advisory Council on College Library Resources consisting of the Commissioner, who shall be Chairman, and eight members appointed, without regard to the civil service laws, by the Commissioner with the approval of the Secretary.

(b) The Advisory Council shall advise the Commissioner with respect to establishing criteria for the making of supplemental grants under section 203 and the making of special purpose grants under section 204. The Commissioner may appoint such special advisory and technical experts and consultants as may be useful in carrying out the functions of the Advisory Council.

(c) Members of the Advisory Council, while serving on business of the Advisory Council, shall receive compensation at a rate to be fixed by the Secretary, but not exceeding \$100 per day, including travel time; and, while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b-2) for persons in the Government service employed intermittently.

Accreditation Requirement for Purposes of This Part

SEC. 206. For the purposes of this part, an educational institution shall be deemed to have been accredited by a nationally recognized accrediting agency or association if the Commissioner determines that there is satisfactory assurance that upon acquisition of the library resources with respect to which assistance under this part is sought, or upon acquisition of those resources and other library resources planned to be acquired within a reasonable time, the institution will meet the accreditation standards of such agency or association.

Limitation

SEC. 207. No grant may be made under this part for books, periodicals, documents, or other related materials to be used for sectarian instruction or religious worship, or primarily in connection with any part of the program of a school or department of divinity. For purposes of this section, the term "school or department of divinity" means an institution or a department or branch of an institution whose program is specifically for the education of students to prepare them to become ministers of religion or to enter upon some other religious vocation, or to prepare them to teach theological subjects.

Consultation With State Agency

SEC. 208. Each institution of higher education which receives a grant under this part shall consult with respect to its activities under this part with the State agency (if any) which is concerned with the educational activities of all institutions of higher education in the State in which the recipient institution is located.

Part B—Library training and research

Appropriations Authorized

SEC. 221. There are authorized to be appropriated \$15,000,000 for the fiscal year ending June 30, 1966, for the purpose of carrying out this part. For the fiscal year ending June 30, 1967, and each of the three succeeding fiscal years, there may be appropriated for such purpose only such sums as the Congress may hereafter authorize by law.

Definition of "Librarianship"

SEC. 222. For the purposes of this part the term "librarianship" means the principles and practices of the library and information sciences, including the acquisition, organization, storage, retrieval, and dissemination of information, and reference and research use of library and other information resources.

Grants for Training in Librarianship

SEC. 223. (a) The Commissioner is authorized to make grants to institutions of higher education to assist them in training persons in librarianship. Such grants may be used by such institutions to assist in covering the cost of courses of training or study for such persons, and for establishing and maintaining fellowships or traineeships with stipends (including allowances for traveling, subsistence, and other expenses) for fellows and others undergoing training and their dependents not in excess of such maximum amounts as may be prescribed by the Commissioner.

(b) The Commissioner may make a grant to an institution of higher education only upon application by the institution and only upon his finding that such program will substantially further the objective of increasing the opportunities throughout the Nation for training in librarianship.

Research and Demonstrations Relating to Libraries and the Training of Library Personnel

SEC. 224. (a) The Commissioner is authorized to make grants to institutions of higher education and other public or private agencies, institutions, and organizations, for research and demonstration projects relating to the improvement of libraries or the improvement of training in librarianship, including the development of new techniques, systems, and equipment for processing, storing, and distributing information, and for the dissemination of information derived from such research and demonstrations, and, without regard to section 3709 of the Revised Statutes (41 U.S.C. 5), to provide by contracts with them for the conduct of such activities; except that no such grant may be made to a private agency, organization, or institution other than a nonprofit one.

(b) The Commissioner is authorized to appoint a special advisory committee of not more than nine members to advise him on matters of general policy concerning research and demonstration projects relating to the improvement of libraries and the improvement of training in librarianship, or concerning special services necessary thereto or special problems involved therein.

(c) Members of the committee appointed under this section who are not regular full-time employees of the United States shall, while serving on the business of the committee, be entitled to receive compensation at rates fixed by the Commissioner, but not in excess of \$100 per diem, including travel time; and they may, while so serving away from their homes or regular places of business, be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b-2) for persons in the Government service employed intermittently.

Repealer

SEC. 225. Effective July 1, 1965, section 1101 of the National Defense Education Act of

1958 is amended by adding the word "or" at the end of clause (2), by striking out clause (3), and by renumbering clause (4) as clause (3).

Part C—Strengthening college and research library resources

Appropriations Authorized

SEC. 231. There are hereby authorized to be appropriated \$5,000,000 for the fiscal year ending June 30, 1966, to enable the Commissioner to transfer funds to the Librarian of Congress for the purpose of—

(a) acquiring, so far as possible, all library materials currently published throughout the world which are of value to scholarship; and

(b) providing catalog information for such materials promptly after receipt, and using for exchange and other purposes such of these materials as are not needed for the Library of Congress collection.

For the fiscal year ending June 30, 1967, and each of the three succeeding fiscal years, there may be appropriated, to enable the Commissioner to transfer funds to the Librarian of Congress for such purpose, only such sums as the Congress may hereafter authorize by law.

TITLE III—STRENGTHENING DEVELOPING INSTITUTIONS

Statement of Purpose, and Appropriations Authorized

SEC. 301. (a) The purpose of this title is to assist in raising the academic quality of colleges which have the desire and potential to make a substantial contribution to the higher education resources of our Nation but which for financial and other reasons are struggling for survival and are isolated from the main currents of academic life, and to do so by enabling the Commissioner to establish a national teaching fellow program and to encourage and assist in the establishment of cooperative arrangements under which these colleges may draw on the talent and experience of our finest colleges and universities, and on the educational resources of business and industry, in their effort to improve their academic quality.

(b) There are authorized to be appropriated \$30,000,000 for the fiscal year ending Jun 30, 1966, to carry out the provisions of this title. For the fiscal year ending June 30, 1967, and each of the three succeeding fiscal years, there may be appropriated, to carry out such provisions, only such sums as the Congress may hereafter authorize by law.

Definition of "Developing Institution"

SEC. 302. As used in this title the term "developing institution" means a public or nonprofit educational institution in any State which—

(a) admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such a certificate;

(b) is legally authorized to provide, and provides within the State, an educational program for which it awards a bachelor's degree;

(c) will, by the end of the academic year for which it seeks assistance under this title, have awarded a bachelor's degree for six consecutive academic years;

(d) is accredited by a nationally recognized accrediting agency or association determined by the Commissioner to be reliable authority as to the quality of training offered or is, according to such an agency or association, making reasonable progress toward accreditation;

(e) is making a reasonable effort to improve the quality of its teaching and administrative staffs and of its student services;

(f) is seriously handicapped in its efforts to improve such staffs and services by lack

of financial resources and a shortage of qualified professional personnel;

(g) meets such other requirements as the Commissioner may prescribe by regulation; and

(h) is not an institution, or department or branch of an institution, whose program is specifically for the education of students to prepare them to become ministers of religion or to enter upon some other religious vocation or to prepare them to teach theological subjects.

Advisory Council on Developing Institutions

SEC. 303. (a) The Commissioner shall establish in the Office of Education an Advisory Council on Developing Institutions (hereinafter in this title referred to as the "Council"), consisting of the Commissioner, who shall be Chairman, one representative each of such Federal agencies having responsibilities with respect to developing institutions as the Commissioner may designate, and eight members appointed, without regard to the civil service laws, by the Commissioner with the approval of the Secretary.

(b) The Council shall advise the Commissioner with respect to policy matters arising in the administration of this title and in particular shall assist the Commissioner in identifying those developing institutions through which the purposes of this title can best be achieved and in establishing priorities for use in approving applications under this title. The Commissioner may appoint such special advisory and technical experts and consultants as may be useful in carrying out the functions of the Council.

(c) Members of the Council who are not otherwise full-time employees of the United States shall, while serving on business of the Council, receive compensation at a rate to be fixed by the Secretary, but not exceeding \$100 per day, including travel time; and, while so serving away from their homes or regular places of business, members may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b-2) for persons in the Government service employed intermittently.

Grants for Cooperative Agreements To Strengthen Developing Institutions

SEC. 304. (a) The Commissioner is authorized to make grants to developing institutions and other colleges and universities to pay part of the cost of planning, developing, and carrying out cooperative arrangements which show promise as effective measures for strengthening the academic programs of developing institutions. Such cooperative arrangements may be between developing institutions, between developing institutions and other colleges and universities, and between developing institutions and organizations, agencies, and business entities. Grants under this section may be used for projects and activities such as—

(1) exchange of faculty or students, including arrangements for bringing visiting scholars to developing institutions;

(2) faculty improvement programs utilizing training, education, internships, research participation, and other means;

(3) introduction of new curriculums and curricular materials;

(4) development and operation of cooperative education programs involving alternate periods of academic study and business or public employment;

(5) joint use of facilities such as libraries or laboratories, including necessary books, materials, and equipment; and

(6) other arrangements which offer promise of strengthening the academic programs of developing institutions.

(b) A grant may be made under this section only upon application to the Commissioner at such time or times and containing such information as he deems necessary. The Commissioner shall not approve an application unless it—

(1) sets forth a program for carrying out one or more projects or activities which meet the requirements of subsection (a) and provides for such methods of administration as are necessary for the proper and efficient operation of the program;

(2) sets forth policies and procedures which assure that Federal funds made available under this section for any fiscal year will be so used as to supplement and, to the extent practical, increase the level of funds that would, in the absence of such Federal funds, be made available for purposes which meet the requirements of subsection (a), and in no case supplant such funds;

(3) provides for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the applicant under this section; and

(4) provides for making such reports, in such form and containing such information, as the Commissioner may require to carry out his functions under this title, and for keeping such records and for affording such access thereto as the Commissioner may find necessary to assure the corrections and verification of such reports.

(c) The Commissioner shall, after consultation with the Council, establish criteria as to eligible expenditures for which grants made under this section may be used, which criteria shall be so designed as to prevent the use of such grants for expenditures not necessary to the achievement of the purposes of this part.

National Teaching Fellowships

SEC. 305. (a) The Commissioner is authorized to award fellowships under this section to highly qualified graduate students and junior members of the faculty of colleges and universities, to encourage such individuals to teach at developing institutions. The Commissioner shall award a fellowship to an individual for teaching at a developing institution only upon application by an institution approved for this purpose by the Commissioner and only upon a finding by the Commissioner that the program of teaching set forth in the application is reasonable in the light of the qualifications of the teaching fellow and of the educational needs of the applicant.

(b) Fellowships may be awarded under this section for such period of teaching as the Commissioner may determine, but such period shall not exceed two academic years or extend beyond June 30, 1970. Each person awarded a fellowship under the provisions of this section shall receive a stipend for each academic year of teaching of not more than \$6,500 as determined by the Commissioner upon the advice of the Council, plus an additional amount of \$400 for each such year for each of his dependents.

TITLE IV—STUDENT ASSISTANCE

Part A.—Educational opportunity grants

Authorization of Appropriations

SEC. 401. (a) The first sentence of section 201 of the National Defense Education Act of 1958 is amended (1) by inserting after "low-interest loans" the following: "and (except in the case of a school which does not meet the requirements of section 103(b)(5)) initial year awards of educational opportunity grants", (2) by striking out "\$179,300,000" and inserting in lieu thereof "\$253,300,000", (3) by striking out "\$190,000,000" and inserting in lieu thereof "\$266,600,000", and (4) by striking out "\$195,000,000" and inserting in lieu thereof "\$280,000,000".

(b) Such section is further amended by inserting after the first sentence thereof the following new sentence: "There are further authorized to be appropriated for the fiscal year ending June 30, 1967, and each of the six succeeding fiscal years, such sums as may be necessary to make contributions to student loan funds equal to the amount necessary to enable institutions of higher education

to make educational opportunity grants provided for under section 206 to students for academic years other than the initial year for which they are awarded the grant."

Allotments

SEC. 402. Subsections (a) and (b) of section 202 of such Act are each amended by inserting after "pursuant to" the following: "the first sentence of".

Federal Capital Contributions

SEC. 403 (a) The first and second sentences of section 203 of such Act are amended by inserting after "allotment of such State" each time it appears the following: "under section 202".

(b) Such section is further amended by designating the first three sentences thereof as subsection (a), by designating the third fourth sentence thereof as subsection (c) and by inserting after subsection (a) the following new subsection:

(b) From the sums appropriated pursuant to the authorization contained in the second sentence of section 201 for a fiscal year, the Commissioner shall make a capital contribution to each institution with which he has an agreement under this title equal to the amount such institution determines that it needs in order to make educational opportunity grants, as provided in this title, to students who have received such a grant for one or more preceding academic years, except that, if the sums so appropriated are less than the amount necessary to enable all such institutions to receive the amount they determine they need for such grants, the Commissioner shall reduce the amount of each institution's capital contribution under this subsection pro rata."

Conditions of Agreements

SEC. 404. (a) Clause (B) of paragraph (2) of section 204 of such Act is amended to read as follows: "(B) an amount, contributed by such institution, equal to not less than one-ninth of 75 per centum of the Federal capital contributions made under section 203(a)."

(b) Paragraph (3) of such section is amended by inserting after "only for loans" the following: "and (except in the case of a school which does not meet the requirements of section 103(b)(5)) educational opportunity grants".

(c) Section 204 is further amended by inserting "(a)" after "Sec. 204." and by adding at the end thereof the following new subsection:

"(b) Where an institution uses funds under this title for the awarding of educational opportunity grants such agreement shall—

"(1) provide that educational opportunity grants will be made only in accordance with section 206 to students who are or will be pursuing their course of study on a full-time basis,

"(2) provide that the institution, in cooperation with other institutions of higher education where appropriate, will make vigorous efforts to identify qualified youths of exceptional financial need and to encourage them to continue their education beyond secondary school through programs and activities such as—

"(A) establishing or strengthening close working relationships with secondary school principals and guidance and counseling personnel with a view toward motivating students to complete secondary school and pursue post-secondary-school educational opportunities, and

"(B) making, to the extent feasible, conditional commitments for educational opportunity grants to qualified secondary school students with special emphasis on students enrolled in grade 11 or lower grades who show evidences of academic or creative promise;

"(3) provide assurance that the institution will continue to spend in its own

scholarship and student aid program, from sources other than funds received under this title, not less than the average expenditure per year made for that purpose during the most recent period of three fiscal years preceding the first fiscal year during which grants are to be made under the agreement."

Educational Opportunity Grants

SEC. 405. Title II of such Act is amended by redesignating sections 206, 207, 208, and 209 as sections 209, 210, 211, and 212, respectively, and by inserting after section 205 the following new sections:

"Educational Opportunity Grants

"SEC. 206. (a) Educational opportunity grants made by institutions of higher education from student loan funds established pursuant to an agreement under this title shall be made only to students who the institution of higher education determines (1) show evidence of academic or creative promise and capability of maintaining good standing in their course of study, (2) and of exceptional financial need, (3) are eligible for a loan from such fund, and (4) would not, but for an educational opportunity grant, be financially able to pursue a course of study at such institution of higher education.

"(b) The duration of an educational opportunity grant awarded under this title shall be the period required for completion by the recipient of his undergraduate course of study at the institution of higher education from which he received the grant award, except that such period shall not exceed four academic years, less any such period with respect to which the recipient has previously received payments under this title pursuant to a prior educational opportunity grant (whether made by the same or another institution).

"(c) An institution of higher education which awards an educational opportunity grant to a student under this title shall, for the duration of the educational opportunity grant, pay to that student for each academic year during which he is in need of grant assistance to pursue a course of study at the institution, an amount determined by the institution for such student with respect to that year, which amount shall not exceed the lesser of \$800 or one-half of the amount of student financial aid (including assistance under this title, but excluding assistance from work-study programs) provided such student by such institution as determined in accordance with regulation of the Commissioner. If the amount of the payment determined under the preceding sentence for an academic year is less than \$200 for a student, no payment shall be made under this title to that student for that year. The Commissioner shall, subject to the foregoing limitations, prescribe for the guidance of participating institutions basic criteria or schedules (or both) for the determination of the amount of any such educational opportunity grant, taking into account the objective of limiting grant aid under this title to students of exceptional financial need and such other factors, including the number of dependents in the family, as the Commissioner may deem relevant.

"Limitations on Grants

"SEC. 207. The aggregate amount of educational opportunity grants made by an institution of higher education in a fiscal year to undergraduate students who have not received such a grant for any preceding fiscal year may not exceed 25 per centum of the Federal capital contribution made to the student loan fund for that fiscal year from funds allotted to such State under the first sentence of section 202(a) or reallocated to such State under the third sentence of section 203(a).

"Contracts To Encourage Full Utilization of Educational Talent

"SEC. 208. (a) To assist in achieving the purposes of this title the Commissioner is

authorized (without regard to section 3709 of the Revised Statutes (41 U.S.C. 5)), to enter into contracts, not to exceed \$100,000 per contract per year, with State and local educational agencies and other public or nonprofit organizations and institutions for the purpose of—

"(1) identifying qualified youths of exceptional financial need and encouraging them to complete secondary school and undertake postsecondary educational training,

"(2) publicizing existing forms of student financial aid, including aid furnished under this title, or

"(3) encouraging secondary school or college dropouts of demonstrated aptitude to reenter educational programs, including postsecondary school programs.

"(b) There are hereby authorized to be appropriated such sums as may be necessary to carry out this section."

Distributions From Student Loan Funds

SEC. 406. Section 209 of such Act (as redesignated by section 405 of this Act) is amended by adding at the end thereof the following new subsection:

"(d) In computing the amount of the Federal capital contribution to a student loan fund for the purposes of this section there shall be deducted from the Federal capital contributions made to such fund under section 203 an amount equal to the total of educational opportunity grants made from such fund."

Amendments to Definitions

SEC. 407. (a) Section 103(b)(5) of such Act is amended to read as follows:

"(b) The term 'institution of higher education' means an educational institution in any State which (1) admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such certificate, (2) is legally authorized within such State to provide a program of education beyond secondary education, (3) provides an educational program for which it awards a bachelor's degree or provides not less than a two-year program which is acceptable for full credit toward such a degree, (4) is a public or other nonprofit institution, and (5) is accredited by a nationally recognized accrediting agency or association approved by the Commissioner for this purpose or, if not so accredited, (A) is an institution with respect to which the Commissioner has determined that there is satisfactory assurance, considering the resources available to the institution, the period of time, if any, during which it has operated, the effort it is making to meet accreditation standards, and the purpose for which this determination is being made, that the institution will meet the accreditation standards of such an agency or association within a reasonable time, or (B) is an institution whose credits are accepted on transfer by not less than three institutions which are so accredited, for credit on the same basis as if transferred from an institution so accredited. For purposes of title II, such term includes any school of nursing as defined in subsection (1) of this section, and also includes any school which provides not less than a one-year program of training to prepare students for gainful employment in a recognized occupation and which meets the provisions of clauses (1), (2), (4), and (5). If the Commissioner determines that a particular category of such schools does not meet the requirements of clause (5) because there is no nationally recognized accrediting agency or association qualified to accredit schools in such category, he shall, pending the establishment of such an accrediting agency or association, appoint an advisory committee, composed of persons specially qualified to evaluate training provided by schools in such category, which shall (1) prescribe the standards of content, scope, and quality which must be

met in order to qualify schools in such category to participate in the student loan program under title II, and (ii) determine whether particular schools not meeting the requirements of clause (5) meet those standards. For purposes of this subsection, the Commissioner shall publish a list of nationally recognized accrediting agencies which he determines to be reliable authority as to the quality of training offered."

Part B—Federal, State, and private programs of low-interest insured loans to students in institutions of higher education

Statement of Purpose and Appropriations Authorized

SEC. 421. (a) The purpose of this part is to enable the Commissioner (1) to encourage States and nonprofit private institutions and organizations to establish adequate loan insurance programs for students in eligible institutions (as defined in section 434), (2) to insure eligible lenders (as defined in section 434), on behalf of the United States, against losses on loans made by them to students in eligible institutions who do not have reasonable access to adequate loan insurance programs, and (3) to pay a portion of the interest on loans to qualified students which are insured under this part or under a program of a State or of a nonprofit private institution or organization which has an agreement with the Commissioner pursuant to section 428(b).

(b) For the purpose of carrying out this part—

(1) there are authorized to be appropriated to the student loan insurance fund (established by section 431) (A) the sum of \$1,000,000, and (B) such further sums, if any, as may become necessary for the adequacy of the student loan insurance fund,

(2) there are authorized to be appropriated, for payments under section 428 with respect to interest on insured loans, such sums for the fiscal year ending June 30, 1966, and succeeding fiscal years, as may be required therefor, and

(3) there are authorized to be appropriated the sum of \$17,500,000 for making advances pursuant to section 422 for the reserve funds of State student loan insurance programs.

Sums appropriated under clauses (1) and (2) of this subsection shall remain available until expended, and sums appropriated under clause (3) of this subsection shall remain available for advances under section 422 until the close of the fiscal year ending June 30, 1968.

Advances for Reserve Funds of State Loan Insurance Programs

SEC. 422. (a) From the sums appropriated pursuant to clause (3) of section 421(b), the Commissioner is authorized to make advances to any State with which he has made an agreement pursuant to section 428(b) for the purpose of helping to establish or strengthen the reserve fund of the student loan insurance program covered by that agreement. Advances pursuant to this subsection shall be upon such terms and conditions (including conditions relating to the time or times of payment) consistent with the requirements of section 428(b) as the Commissioner determines will best carry out the purposes of this section. Advances made by the Commissioner under this subsection shall be repaid within such period as the Commissioner may deem to be appropriate in each case in the light of the maturity and solvency of the reserve fund for which the advance was made.

(b) The total of the advances to any State pursuant to subsection (a) may not exceed an amount which bears the same ratio to 2½ per centum of \$700,000,000 as the population of the State aged eighteen to twenty-two, inclusive, bears to the total population of all the States aged eighteen to twenty-two, inclusive. If the amount so deter-

mined for any State, however, is less than \$25,000, it shall be increased to \$25,000 and the total of the increases thereby required shall be derived by proportionately reducing (but not below \$25,000) the amount so determined for each of the remaining States. The amount of an advance to any State pursuant to subsection (a) may also not exceed the amount which has been contributed by the State to the reserve fund of the student loan insurance fund covered by the agreement of that State under section 428(b). For the purposes of this subsection, the population aged eighteen to twenty-two, inclusive, of each State and of all the States shall be determined by the Commissioner on the basis of the most recent satisfactory data available to him.

Effect of Adequate Non-Federal Programs

SEC. 423. If the Commissioner determines in accordance with regulations that one or more classes of students do not have reasonable access to a State or a private program of loan insurance which meets such minimum standards as the Commissioner may prescribe, he may, for so long as he determines his condition to continue, issue certificates of insurance to lenders under section 429 covering loans to such class or classes of students.

Scope and Duration of Loan Insurance Program

SEC. 424. (a) The total principal amount of new loans made and installments paid pursuant to lines of credit (as defined in section 434) to students covered by insurance under this part shall not exceed \$700,000,000 in the fiscal year ending June 30, 1966, \$1,000,000,000 in the fiscal year ending June 30, 1967, and \$1,400,000,000 in the fiscal year ending June 30, 1968. Thereafter, insurance pursuant to this part may be granted only for loans made (or for loan installments paid pursuant to lines of credit) to enable students, who have obtained prior loans insured under this part, to continue or complete their educational program; but no insurance may be granted for any loan made or installment paid after June 30, 1972.

(b) The Commissioner may, if he finds it necessary to do so in order to assure an equitable distribution of the benefits of this part, assign, within the maximum amounts specified in subsection (a), insurance quotas applicable to eligible lenders, or to States or areas, and may from time to time reassign unused portions of these quotas.

Limitations on Individual Loans and on Insurance

SEC. 425. (a) The total of the loans made to a student in any academic year or its equivalent (as determined under regulations of the Commissioner) which may be covered by insurance under this part may not exceed \$2,000 in the case of a graduate or professional student (as defined in regulations of the Commissioner), or \$1,000 in the case of any other student. The aggregate insured unpaid principal amount of all such insured loans made to any student shall not at any time exceed \$7,500 in the case of any graduate or professional student (as defined in regulations of the Commissioner), and including any such insured loans made to such person before he became a graduate or professional student), or \$5,000 in the case of any other student. The annual insurable limit per student shall not be deemed to be exceeded by a line of credit under which actual payments by the lender to the borrower will not be made in any year in excess of the annual limit.

(b) The insurance liability on any loan insured under this part shall be 100 per centum of the unpaid balance of the principal amount of the loan. Such insurance liability shall not include liability for interest whether or not that interest has been added to the principal amount of the loan.

Sources of Funds

SEC. 426. Loans made by eligible lenders in accordance with this part shall be insurable whether made from funds fully owned by the lender or from funds held by the lender in a trust or similar capacity and available for such loans.

Eligibility of Student Borrowers and Terms of Student Loans

SEC. 427. (a) A loan by an eligible lender shall be insurable under the provisions of this part only if—

(1) made to a student who (A) has been accepted for enrollment at an eligible institution or, in the case of a student already attending such institution, is in good standing there as determined by the institution, and (B) is carrying at least one-half of the normal full-time workload as determined by the institution, and (C) has provided the lender with a statement of the institution which sets forth a schedule of the tuition and fees applicable to that student and its estimate of the cost of board and room for such a student; and

(2) evidenced by a note or other written agreement which—

(A) is made without security and without endorsement, except that if the borrower is a minor and such note or other written agreement executed by him would not, under the applicable law, create a binding obligation, endorsement may be required,

(B) provides for repayment (except as provided in subsection (c)) of the principal amount of the loan in installments over a period of not less than five years (unless sooner repaid) nor more than ten years beginning not earlier than six months nor later than one year after the date on which the student ceases to carry at an eligible institution at least one-half the normal full-time academic workload as determined by the institution, except that (i) the period of the loan may not exceed fifteen years from the execution of the note or written agreement evidencing it and (ii) the note or other written instrument may contain such provisions relating to repayment in the event of default in the payment of interest or in the payment of the cost of insurance premiums, or other default by the borrower, as may be authorized by regulations of the Commissioner in effect at the time the loan is made,

(C) provides for interest on the unpaid principal balance of the loan at a yearly rate, not exceeding the applicable maximum rate prescribed and defined by the Secretary (within the limits set forth in subsection (b)) on a national, regional, or other appropriate basis, which interest shall be payable in installments over the period of the loan except that, if provided in the note or other written agreement, any interest payable by the student may be deferred until not later than the date upon which repayment of the first installment of principal falls due, in which case interest that has so accrued during that period may be added on that date to the principal (but without thereby increasing the insurance liability under this part),

(D) provides that the lender will not collect or attempt to collect from the borrower any portion of the interest on the note which is payable by the Commissioner under this part.

(E) entitles the student borrower to accelerate without penalty repayment of the whole or any part of the loan, and

(F) contains such other terms and conditions, consistent with the provisions of this part and with the regulations issued by the Commissioner pursuant to this part, as may be agreed upon by the parties to such loan, including, if agreed upon, a provision requiring the borrower to pay to the lender, in addition to principal and interest, amounts equal to the insurance premiums payable by

the lender to the Commissioner with respect to such loan.

(b) No maximum rate of interest prescribed and defined by the Secretary for the purposes of clause (2)(C) of subsection (a) may exceed 6 per centum per annum on the unpaid principal balance of the loan, except that under circumstances which threaten to impede the carrying out of the purposes of this part, one or more of such maximum rates of interest may be as high as 7 per centum per annum on the unpaid principal balance of the loan.

(c) The total of the payments by a borrower during any year of any repayment period with respect to the aggregate amount of all loans to that borrower which are insured under this part shall not be less than \$360 or the balance of all of such loans (together with interest thereon), whichever amount is less.

Federal Payments To Reduce Students Interest Costs

SEC. 428. (a) (1) Each student who has received a loan which is insured under this part or a loan, for study at an eligible institution, which—

(A) is insured under a State program, or under a program of a nonprofit institution or organization, covered by an agreement made pursuant to subsection (b), and

(B) was contracted for after the effective date of that agreement and was paid to the student either (i) prior to July 1, 1970, or (ii) prior to July 1, 1974, in the case of a loan made (or a loan installment paid pursuant to a line of credit) to enable a student who has obtained a prior loan insured under such program to continue or complete his educational program,

and whose adjusted family income is less than \$15,000 at the time of execution of the note or written agreement evidencing such loan, shall be entitled to have paid on his behalf and for his account to the holder of the loan, over the period of the loan, a portion of the interest on the loan. For the purposes of this paragraph, the adjusted family income of a student shall be determined pursuant to regulations of the Commissioner in effect at the time of the execution of the note or written agreement evidencing the loan. Such regulations shall provide for taking into account such factors, including family size, as the Commissioner deems appropriate.

(2) The portion of the interest on a loan which a student is entitled to have paid on his behalf and for his account to the holder of the loan pursuant to paragraph (1) shall be equal to the total amount of the interest on the unpaid principal amount of the loan which accrues prior to the beginning of the repayment period of the loan, and 3 per centum per annum of the unpaid principal amount of the loan (excluding interest which has been added to principal) thereafter; but such portion of the interest on a loan shall not exceed, for any period, the amount of the interest on that loan which is payable by the student after taking into consideration the amount of any interest on that loan which the student is entitled to have paid on his behalf for that period under any State or private loan insurance program. In the absence of fraud by the lender, that determination shall be final so far as the obligation of the Commissioner to pay a portion of the interest on a loan is concerned. The holder of an insured loan shall be deemed to have a contractual right, as against the United States, to receive from the Commissioner the portion of interest which has been so determined. The Commissioner shall pay this portion of the interest to the holder of the insured loan on behalf of and for the account of the borrower at such times as may be specified in regulations in force when the applicable agreement

entered into pursuant to subsection (b) was made, or when a loan insured under this part was paid to the student, as the case may be.

(3) Each holder of a loan with respect to which payments of interest are required to be made by the Commissioner shall submit to the Commissioner, at such time or times and in such manner as he may prescribe, statements containing such information as may be required by or pursuant to regulation for the purpose of enabling the Commissioner to determine the amount of the payment which he must take with respect to that loan.

(b)(1) Any State or any nonprofit private institution or organization may enter into an agreement with the Commissioner for the purpose of entitling students who receive loans which are insured under a student loan insurance program of that State, institution, or organization to have made on their behalf payments equal to those provided for in subsection (a) if the Commissioner determines that the student loan insurance program—

(A) authorizes the insurance of not less than \$1,000 nor more than \$1,500 in loans to any individual student in any academic year or its equivalent (as determined under regulations of the Commissioner);

(B) authorizes the insurance of loans to any individual student for at least six academic years of study or their equivalent (as determined under regulations of the Commissioner);

(C) provides that (i) the student borrower shall be entitled to accelerate without penalty the whole or any part of an insured loan, (ii) the period of any insured loan may not exceed fifteen years from the date of execution of the note or other written evidence of the loan, and (iii) the note or other written evidence of any loan may contain such provisions relating to repayment in the event of default by the borrower as may be authorized by regulations of the Commissioner in effect at the time such note or written evidence was executed;

(D) subject to subparagraph (C), provides that, where the total of the insured loans to any student which are held by any one person exceeds \$2,000, repayment of such loans shall be in installments over a period of not less than five years nor more than ten years beginning not earlier than six months nor later than one year after the student ceases to pursue a full-time course of study at an eligible institution, except that if the program provides for the insurance of loans for part-time study at eligible institutions the program shall provide that such repayment period shall begin not earlier than six months nor later than one year after the student ceases to carry at an eligible institution at least one-half the normal full-time academic workload as determined by the institution;

(E) authorizes interest on the unpaid balance of the loan at a yearly rate not in excess of 6 per centum per annum on the unpaid principal balance of the loan (exclusive of any premium for insurance which may be passed on to the borrower);

(F) insures not less than 90 per centum of the unpaid principal of loans insured under the program;

(G) provides for collection from the holder of the loan of a reasonable insurance premium;

(H) provides that the benefits of the loan insurance program will not be denied any student because of his family income or lack of need if his adjusted family income at the time the note or written agreement is executed is less than \$15,000 (as determined pursuant to the regulations of the Commissioner prescribed under section 428(a)(1)); and

(I) provides that a student may obtain insurance under the program for a loan for any year of study at an eligible institution.

(2) Such an agreement shall—

(A) provide that the holder of any such loan will be required to submit to the Commissioner, at such time or times and in such manner as he may prescribe, statements containing such information as may be required by or pursuant to regulation for the purpose of enabling the Commissioner to determine the amount of the payment which he must make with respect to that loan;

(B) include such other provisions as may be necessary to protect the financial interest of the United States and promote the purposes of this part and as are agreed to by the Commissioner and the State; and

(C) provide for making such reports in such form and containing such information as the Commissioner may reasonably require to carry out his function under this part and for keeping such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports.

Certificates of Insurance—Effective Date of Insurance

SEC. 429. (a)(1) If, upon application by an eligible lender, made upon such form, containing such information, and supported by such evidence as the Commissioner may require, and otherwise in conformity with this section, the Commissioner finds that the applicant has made a loan to an eligible student which is insurable under the provisions of this part, he may issue to the applicant a certificate of insurance covering the loan and setting forth the amount and terms of the insurance.

(2) Insurance evidenced by a certificate of insurance pursuant to subsection (a)(1) shall become effective upon the date of issuance of the certificate, except that the Commissioner is authorized, in accordance with regulations, to issue commitments with respect to proposed loans, or with respect to lines (or proposed lines) of credit, submitted by eligible lenders, and in that event, upon compliance with subsection (a)(1) by the lender, the certificate of insurance may be issued effective as of the date when any loan, or any payment by the lender pursuant to a line of credit, to be covered by such insurance was made. Such insurance shall cease to be effective upon thirty days' default by the lender in the payment of any installment of the premiums payable pursuant to subsection (c).

(3) An application submitted pursuant to subsection (a)(1) shall contain (A) an agreement by the applicant to pay, in accordance with regulations, the premiums fixed by the Commissioner pursuant to subsection (c), and (B) an agreement by the applicant that if the loan is covered by insurance the applicant will submit such supplementary reports and statements during the effective period of the loan agreement, upon such forms, at such times, and containing such information as the Commissioner may prescribe by or pursuant to regulation.

(b)(1) In lieu of requiring a separate insurance application and issuing a separate certificate of insurance for each student loan made by an eligible lender as provided in subsection (a), the Commissioner may, in accordance with regulations consistent with section 424, issue to any eligible lender applying therefor a certificate of comprehensive insurance coverage which shall, without further action by the Commissioner, insure all insurable loans made by that lender, on or after the date of the certificate and before a specified cutoff date, within the limits of an aggregate maximum amount stated in the certificate. Such regulations may provide for conditioning such insurance, with respect to any loan, upon compliance by the lender with such requirements (to be stated or incorporated by reference in the certificate) as in the Commissioner's judgment

will best achieve the purpose of this subsection while protecting the financial interest of the United States and promoting the objectives of this part, including (but not limited to) provisions as to the reporting of such loans and information relevant thereto to the Commissioner and as to the payment of initial and other premiums and the effect of default therein, and including provision for confirmation by the Commissioner from time to time (through endorsement of the certificate) of the coverage of specific new loans by such certificate, which confirmation shall be incontestable by the Commissioner in the absence of fraud or misrepresentation of fact or patent error.

(2) If the holder of a certificate of comprehensive insurance issued under this subsection grants to a student a line of credit extending beyond the cutoff date specified in that certificate, loans or payments thereon made by the holder after that date pursuant to the line of credit shall not be deemed to be included in the coverage of that certificate except as may be specifically provided therein; but, subject to the limitations of section 424, the Commissioner may, in accordance with regulations, make commitments to insure such future loans or payments, and such commitments may be honored either as provided in subsection (a) or by inclusion of such insurance in comprehensive coverage under this subsection for the period or periods in which such future loans or payments are made.

(c) The Commissioner shall, pursuant to regulations, charge for insurance on each loan under this part a premium in an amount not to exceed one-fourth of 1 per centum per year of the unpaid principal amount of such loan (excluding interest added to principal), payable in advance, at such time and in such manner as may be prescribed by the Commissioner. Such regulations may provide that such premium shall not be payable, or if paid shall be refundable, with respect to any period after default in the payment of principal or interest or after the borrower has died or becomes totally and permanently disabled, if (1) notice of such default or other event has been duly given, and (2) request for payment of the loss insured against has been made or the Commissioner has made such payment on his own motion pursuant to section 430(a).

(d) The rights of an eligible lender arising under insurance evidenced by a certificate of insurance issued to it under this section may be assigned as security by such lender only to another eligible lender, and subject to regulation by the Commissioner.

(e) The consolidation of the obligations of two or more insured loans obtained by a student borrower in any fiscal year into a single obligation evidenced by a single instrument of indebtedness shall not affect the insurance by the United States. If the loans thus consolidated are covered by separate certificates of insurance issued under subsection (a), the Commissioner may upon surrender of the original certificates issue a new certificate of insurance in accordance with that subsection upon the consolidated obligation; if they are covered by a single comprehensive certificate issued under subsection (b), the Commissioner may amend that certificate accordingly.

Procedure on Default, Death, or Disability of Student

SEC. 430. (a) Upon default by the student borrower on any loan covered by insurance pursuant to this title, or upon the death of the student borrower or a finding by the insurance beneficiary that the borrower has become totally and permanently disabled (as determined in accordance with regulations established by the Commissioner) before the loan has been repaid in full, and prior to the commencement of suit or other enforcement proceeding upon security for that loan, the insurance beneficiary shall promptly notify the Commissioner, and the Commissioner

shall if requested (at that time or after further collection efforts) by the beneficiary, or may on his own motion, if the insurance is still in effect, pay to the beneficiary the amount of the loss sustained by the insured upon that loan as soon as that amount has been determined. The "amount of the loss" on any loan shall, for the purposes of this subsection and subsection (b), be deemed to be an amount equal to the unpaid balance of the principal amount of the loan.

(b) Upon payment by the Commissioner of the insured portion of the loss pursuant to subsection (a), the United States shall be subrogated to all of the rights of the holder of the obligation upon the insured loan and shall be entitled to an assignment of the note or other evidence of the insured loan by the insurance beneficiary. If the net recovery made by the Commissioner on a loan after deduction of the cost of that recovery (including reasonable administrative costs) exceeds the amount of the loss, the excess shall be paid over to the insured.

(c) Nothing in this section or in this part shall be construed to preclude any forbearance for the benefit of the student borrower which may be agreed upon by the parties to the insured loan and approved by the Commissioner, or to preclude forbearance by the Commissioner in the enforcement of the insured obligation after payment on that insurance, or to require collection of the amount of any loan by the insurance beneficiary or by the Commissioner from the estate of a deceased borrower or from a borrower found by the insurance beneficiary to have become permanently and totally disabled.

(d) Nothing in this section or in this part shall be construed to excuse the holder of a loan from exercising reasonable care and diligence in the making and collection of loans under the provisions of this part. If the Commissioner, after reasonable notice and opportunity for hearing to an eligible lender, finds that it has substantially failed to exercise such care and diligence or to make the reports and statements required under section 428(a)(3) and section 429(a)(3), or to pay the required insurance premiums, he shall disqualify that lender for further insurance on loans granted pursuant to this part until he is satisfied that its failure has ceased and finds that there is reasonable assurance that the lender will in the future exercise necessary care and diligence or comply with such requirements, as the case may be.

(e) As used in this section—

(1) the term "insurance beneficiary" means the insured or its authorized assignee in accordance with section 429(d); and

(2) the term "default" includes only such defaults as have existed for (A) one hundred and twenty days in the case of a loan which is repayable in monthly installments, or (B) one hundred and eighty days in the case of a loan which is repayable in less frequent installments.

Insurance Fund

SEC. 431. (a) There is hereby established a student loan insurance fund (hereinafter in this section called the "fund") which shall be available without fiscal year limitation to the Commissioner for making payments in connection with the default of loans insured under this part. All amounts received by the Commissioners as premium charges for insurance and as receipts, earnings, or proceeds derived from any claim or other assets acquired by the Commissioner in connection with his operations under this part, and any other moneys, property, or assets derived by the Commissioner from his operations in connection with this section, shall be deposited in the fund. All payments in connection with the default of loans insured under this part shall be paid from the fund. Moneys in the fund not needed for current

operations under this section may be invested in bonds or other obligations guaranteed as to principal and interest by the United States.

(b) If at any time the moneys in the fund are insufficient to make payments in connection with the default of any loan insured under this part, the Commissioner is authorized to issue to the Secretary of the Treasury notes or other obligations in such forms and denominations, bearing such maturities, and subject to such terms and conditions as may be prescribed by the Commissioner with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations issued hereunder and for that purpose he is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under that Act, as amended, are extended to include any purchases of such notes and obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this subsection. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States. Sums borrowed under this subsection shall be deposited in the fund and redemption of such notes and obligations shall be made by the Commissioner from such fund.

Legal Powers and Responsibilities

SEC. 432. (a) In the performance of, and with respect to the functions, powers, and duties vested in him by this part, the Commissioner may—

(1) prescribe such regulations as may be necessary to carry out the purposes of this part;

(2) sue and be sued in any court of record of a State having general jurisdiction or in any district court of the United States, and such district courts shall have jurisdiction of civil actions arising under this part without regard to the amount in controversy, and any action instituted under this subsection by or against the Commissioner shall survive notwithstanding any change in the person occupying the office of Commissioner or any vacancy in that office; but no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against the Commissioner or property under his control, and nothing herein shall be construed to except litigation arising out of activities under this part from the application of sections 507(b) and 2679 of title 28 of the United States Code and of section 367 of the Revised Statutes (5 U.S.C. 316);

(3) include in any contract for insurance such terms, conditions, and covenants relating to repayment of principal and payment of interest, relating to his obligations and rights and to those of eligible lenders, and borrowers in case of default, and relating to such other matters as the Commissioner determines to be necessary to assure that the purposes of this part will be achieved; and any term, condition, and covenant made pursuant to this clause or any other provisions of this part may be modified by the Commissioner if he determines that modification is necessary to protect the financial interest of the United States;

(4) subject to the specific limitations in this part, consent to the modification, with respect to rate of interest, time of payment of any installment of principal and interest

or any portion thereof, or any other provision of any note or other instrument evidencing a loan which has been insured under this part;

(5) enforce, pay, or compromise, any claim on, or arising because of, any such insurance; and

(6) enforce, pay, compromise, waive, or release any right, title, claim, lien, or demand, however acquired, including any equity or any right or redemption.

(b) The Commissioner shall, with respect to the financial operations arising by reason of this part—

(1) prepare annually and submit a budget program as provided for wholly owned Government corporations by the Government Corporation Control Act; and

(2) maintain with respect to insurance under this part an integral set of accounts, which shall be audited annually by the General Accounting Office in accordance with principles and procedures applicable to commercial corporate transactions, as provided by section 105 of the Government Corporation Control Act, except that the transactions of the Commissioner, including the settlement of insurance claims and of claims for payments pursuant to section 428, and transactions related thereto and vouchers approved by the Commissioner in connection with such transactions, shall be final and conclusive upon all accounting and other officers of the Government.

Participation by Federal Credit Unions in Federal, State, and Private Student Loan Insurance Programs

SEC. 433. Notwithstanding any other provision of law, Federal credit unions shall, pursuant to regulations of the Director of the Bureau of Federal Credit Unions, have power to make insured loans up to 10 per centum of their assets, to student members in accordance with the provisions of this part or in accordance with the provisions of any State or nonprofit private student loan insurance program with respect to which there is in effect an agreement with the Commissioner under section 428(b).

Definitions for Reduced-Interest Student Loan Insurance Program

SEC. 434. As used in this part:

(a) The term "eligible institution" means an institution described in the first sentence of section 701(a).

(b) The term "eligible lender" means an eligible institution, or a financial or credit institution (including an insurance company) which is subject to examination and supervision by an agency of the United States or any State.

(c) The term "line of credit" means an arrangement or agreement between the lender and the borrower whereby a loan is paid out by the lender to the borrower in annual installments, or whereby the lender agrees to make, in addition to the initial loan, additional loans in subsequent years.

Part C—College work-study program extension and amendments

Transfer of Authority, and Other Amendments

SEC. 441. Effective July 1, 1965, part C of title I of the Economic Opportunity Act of 1964 (Public Law 88-452) is amended as follows:

(1) By striking out "Director" in the first sentence of section 122(a) and inserting in lieu thereof "Commissioner of Education (hereinafter in this part referred to as the 'Commissioner')", and by striking out "Director" wherever that word appears in the other provisions of such part C and inserting in lieu thereof "Commissioner";

(2) By amending that part of section 121 that follows the section designation to read as follows: "The purpose of this part is to stimulate and promote the part-time employment of students, particularly students from low-income families, in institutions of

higher education who are in need of the earnings from such employment to pursue courses of study at such institutions.”;

(3) By redesignating clauses (2), (3), and (4), of paragraph (c) of section 124 as clauses (1), (2), and (3), and by striking out so much of such paragraph as precedes such redesignated clauses and inserting in lieu thereof the following: “(c) provide that in the selection of students for employment under such work-study program preference shall be given to students from low-income families and that employment under such work-study program shall be furnished only to a student who”;

(4) By striking out “June 30, 1966,” in paragraph (f) of section 124 and inserting in lieu thereof “June 30, 1967.”; and

(5) By striking out “(as defined by section 401(f) of the Higher Education Facilities Act of 1963 (Public Law 88-204)” in section 123 and inserting in lieu thereof “(as defined by section 103(b) of the National Defense Education Act) of 1958 for purposes of title II of that Act)”.

Appropriations Authorized

SEC. 442. There are authorized to be appropriated \$129,000,000 for the fiscal year ending June 30, 1966, and such sums as may be necessary for each of the four succeeding years, to carry out the purposes of part C of title I of the Economic Opportunity Act of 1964 (Public Law 88-452). Any sums which, prior to the enactment of this Act, were appropriated for carrying out such part C of that title for the fiscal year ending June 30, 1966, or were allocated from an applicable appropriation for that purpose, and which have not been expended prior to the date of the enactment of this Act, shall be available to the Commissioner for carrying out such part C.

Conforming Amendment

SEC. 443. Part D of title I of the Economic Opportunity Act of 1964 (Public Law 88-452) is amended to read as follows:

Part D—Authorization of appropriations

“Sec. 131. The Director shall carry out the programs provided for in parts A and B of this title during the fiscal year ending June 30, 1965, and each of the two succeeding fiscal years, and he shall carry out the program provided for in part C of this title during the fiscal year ending June 30, 1965. For this purpose there is hereby authorized to be appropriated the sum of \$412,500,000 for the fiscal year ending June 30, 1965; and for the fiscal year ending June 30, 1966, and the fiscal year ending June 30, 1967, such sums may be appropriated as the Congress may hereafter authorize by law.”

TITLE V—AMENDMENTS TO HIGHER EDUCATION FACILITIES ACT OF 1963

Authorization for Construction of Undergraduate Facilities

SEC. 501. The first sentence of section 101(b) of the Higher Education Facilities Act of 1963 is amended by striking out “and each of the two succeeding fiscal years” and inserting in lieu thereof the following: “and for the succeeding fiscal year; and the sum of \$460,000,000 for the fiscal year ending June 30, 1966”.

Public Junior Colleges and Technical Institutes

SEC. 502. (a) Section 105(a)(2) of the Higher Education Facilities Act of 1963 is amended by striking out “other than a project for a public community college or public technical institute”.

(b) Section 107(b) of such Act is amended (1) by striking out “other than a project for a public community college or public technical institute”, and (2) by striking out “shall be 40 per centum” and inserting in lieu thereof “shall in no event exceed 40 per centum”.

(c) Section 401(d) of the Higher Education Facilities Act of 1963 is amended by inserting immediately before “40 per centum” the following: “a percentage (as determined under the applicable State plan) not in excess of”.

Authorization for Construction of Graduate Facilities

SEC. 503. The second sentence of section 201 of the Higher Education Facilities Act of 1963 is amended by striking out “and the sum of \$60,000,000 each for the fiscal year ending June 30, 1965, and the succeeding fiscal year” and inserting in lieu thereof the following: “the sum of \$60,000,000 for the fiscal year ending June 30, 1965, and the sum of \$120,000,000 for the fiscal year ending June 30, 1966”.

TITLE VI—ADVISORY COUNCIL TO HOUSE COMMITTEE ON EDUCATION AND LABOR Advisory Council

SEC. 601. (a) The chairman of the Committee on Education and Labor of the House of Representatives is hereby authorized to establish, on or after the beginning of each Congress, an Advisory Council to make studies and recommendations with respect to programs established by this Act or affected by the amendments made by this Act, for the purpose of assisting the committee and any subcommittee thereof exercising jurisdiction over the subject matter of any such program. The members of such Advisory Council shall be persons who are specially qualified to make such studies and recommendations, and at least one member shall be an expert in the area of each of such programs.

(b) The members of the Advisory Council shall be appointed by the chairman of the committee. The Advisory Council shall meet at the call of the chairman of the committee, but not less than twice a year. The chairman of the committee may designate subcommittees of the Advisory Council to make studies and recommendations with respect to particular programs.

(c) Members of the Advisory Council who are not regular full-time employees of the United States shall, while serving on the business of the Advisory Council, be entitled to receive compensation at rates fixed by the chairman of the committee, but not exceeding \$100 per day, including traveltime; and, while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b-2) for persons in the Government service employed intermittently.

(d) There are hereby authorized to be appropriated such sums as may be necessary to carry out this title.

TITLE VII—GENERAL PROVISIONS Definitions

SEC. 701. As used in this Act—

(a) The term “institution of higher education” means an educational institution in any State which (1) admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such certificate, (2) is legally authorized within such State to provide a program of education beyond secondary education, (3) provides an educational program for which it awards a bachelor's degree or provides not less than a two-year program which is acceptable for full credit toward such a degree, (4) is a public or other nonprofit institution, and (5) is accredited by a nationally recognized accrediting agency or association or, if not so accredited, is an institution whose credits are accepted, on transfer, by not less than three institutions which are so accredited, for credit on the same basis as if transferred from an institution so accredited.

Such term also includes any business school or technical institution which meets the provisions of clauses (1), (2), (4), and (5). For purposes of this subsection, the Commissioner shall publish a list of nationally recognized accrediting agencies or associations which he determines to be reliable authority as to the quality of training offered.

(b) The term “State” includes, in addition to the several States of the Union, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, and the Virgin Islands.

(c) The term “nonprofit” as applied to a school, agency, organization, or institution means a school, agency, organization, or institution owned and operated by one or more nonprofit corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

(d) The term “secondary school” means a school which provides secondary education as determined under State law except that it does not include any education provided beyond grade 12.

(e) The term “Secretary” means the Secretary of Health, Education, and Welfare.

(f) The term “Commissioner” means the Commissioner of Education.

Method of Payment

SEC. 702. Payments under this Act to any individual or to any State or Federal agency, institution of higher education, or any other organization, pursuant to a grant, loan, or contract, may be made in installments, and in advance or by way of reimbursement, and, in the case of grants or loans, with necessary adjustments on account of overpayments or underpayments.

Federal Administration

SEC. 703. (a) The Commissioner is authorized to delegate any of his functions under this Act, except the making of regulations, to any officer or employee of the Office of Education.

(b) In administering the titles of this Act for which he is responsible, the Commissioner is authorized to utilize the services and facilities of any agency of the Federal Government and of any other public or nonprofit agency or institution, in accordance with agreements between the Secretary and the head thereof.

Federal Control of Education Prohibited

SEC. 704. Nothing contained in this Act shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution, or over the selection of library resources by any educational institution.

Mrs. GREEN of Oregon (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the further reading of the bill be dispensed with and it be open for amendment title by title.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Oregon?

There was no objection.

The CHAIRMAN. Are there any amendments to title I? Are there any amendments to title II? Are there any amendments to title III?

AMENDMENT OFFERED BY MR. GRIFFIN

Mr. GRIFFIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendments offered by Mr. GRIFFIN: Page 26, beginning on line 11, strike out “to establish a national teaching fellow program and

to encourage and assist" and insert in lieu thereof "to encourage and assist States".

Page 26, insert after line 23 the following:
 "(c) From the sums appropriated pursuant to subsection (b) for any fiscal year the Commissioner shall allot to each State an amount which bears the same ratio to such sums as the product of—

"(1) the population of the State, and
 "(2) the State's allotment ratio (as determined under subsection (d))

bears to the sum of the corresponding products for all the States.

"(d)(1) For purposes of subsection (c), the 'allotment ratio' for any State shall be 1.00 less the product of (A) .50 and (B) the quotient obtained by dividing the income per person for the State by the income per person for all the States (not including Puerto Rico, the Virgin Islands, American Samoa, and Guam), except that (i) the allotment ratio shall in no case be less than .33⅓ or more than .66⅔, and (ii) the allotment ratio for Puerto Rico, the Virgin Islands, American Samoa, and Guam shall be .66⅔.

"(2) Allotment ratios shall be promulgated by the Commissioner as soon as possible after the enactment of this Act, and annually thereafter, on the basis of the most recent satisfactory data available to him from the Department of Commerce."

Beginning on page 28, strike out line 11 and all that follows down through line 15 on page 29.

Beginning on page 29, strike out line 18 and all that follows down through "business entities." on line 2 of page 30, and insert in lieu thereof the following:

"Sec. 303. (a) The Commissioner is authorized to make grants to the States for carrying out State plans submitted to him for strengthening the academic programs of developing institutions within the State. In order to qualify for assistance, a State shall designate or create a State agency broadly representative of higher education within such State which shall submit a State plan and administer the program described in it."

Page 30, strike out lines 21 through 24 and insert in lieu thereof:

"(b) The Commissioner shall approve any State plan which—"

Beginning on page 31 strike out line 22 and all that follows down through line 24 on page 32.

Mr. GRIFFIN. Mr. Chairman, if this amendment is adopted, title II of the bill, like title I, would be administered in the traditional way, through a State plan and through a State agency. Those who have not carefully studied title III should do so, because it is an amazing piece of new legislation.

It provides, in effect, a blank check of \$30 million for the Commissioner of Education who is authorized under this title to select developing institutions which he believes should be assisted. The definition of a "developing institution" is very vague and indefinite as appears on page 27.

According to the definition, a developing institution is one which admits regular students, which awards a bachelor's degree, has been in existence for 6 consecutive years, is accredited, is making a reasonable effort to improve the quality of its teaching and administrative staff, and is seriously handicapped because of the lack of adequate financial resources. That is a definition which includes almost every college and university in this Nation.

The last, and perhaps the most important requirement in the definition of

a "developing institution" is that it must also meet "such other requirements as the Commissioner may prescribe by regulation."

Under this bill, there is no requirement or indication that every State will get at least a part of this \$30 million. All of the money could be funneled into 3, 4, 5, or 10 States. The Commissioner of Education will decide as he sees fit.

Those who are concerned about Federal control of education must be concerned about the language of this title. Imagine the possibilities for exercise of control when the Commissioner of Education has the absolute power conferred upon him by this title.

I recognize that some may be concerned about the treatment of Negro institutions if this title were operated through a State plan. However, it should be emphasized that the protection of the Civil Rights Act would be available.

Furthermore, it should be obvious that the Commissioner of Education would not approve a State plan if it did not meet the requirements of the Civil Rights Act which prohibits discrimination.

I strongly urge the adoption of my amendment which would make this title conform to the traditional pattern by making the funds available through a State plan and a State agency.

Mrs. GREEN of Oregon. Mr. Chairman, will the gentleman yield?

Mr. GRIFFIN. I yield to the gentlewoman from Oregon.

Mrs. GREEN of Oregon. The gentleman from Michigan has made many very valuable contributions to the subcommittee in the designing of legislation.

Mr. Chairman, I am forced to oppose this particular amendment but I want to refer to title V of this bill and which I believe the gentleman from Michigan [Mr. GRIFFIN] said he supported very strongly, and this is the doubling of funds for titles I and II of the Higher Education Facilities Act.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

(Mr. GRIFFIN (at the request of Mrs. GREEN of Oregon) by unanimous consent was given permission to proceed for 3 additional minutes.)

Mrs. GREEN of Oregon. If the gentleman will yield further, am I correct that the gentleman does support title V which provides for the doubling of funds?

Mr. GRIFFIN. Yes.

Mrs. GREEN of Oregon. May I remind the gentleman from Michigan that under title II of the Higher Education Facilities Act, there is no State allocation and the Commissioner of Education is the one who has, if there is a blank check as the gentleman from Michigan referred to it, then the Commissioner of Education has a blank check for four times the amount of money under title II that he is represented to have in title V of this bill. The only limitation is that there would be a wider geographical distribution of centers of academic excellence and no State might receive more than 12½ percent, if I remember correctly.

Then, certainly in title II of this bill, the library facilities bill, there is an allocation of \$25,000 but beyond that

there is no State allocation either. And with the discretion to the Commissioner of Education to make the grants to the institutions, without any direction from the Congress.

Mr. GRIFFIN. Perhaps the gentlewoman from Oregon is suggesting that I should offer further amendments to the bill. But does the gentlewoman challenge the statement that under this title it is altogether possible that some States will get no money whatsoever, because there is no allocation formula?

Mrs. GREEN of Oregon. The reason that I would really oppose this amendment, if I may say so to the gentleman from Michigan, is because I think it would be almost impossible to work out any allocation of the funds that would be equitable, and the reason is that institutions may or may not participate and there are not the same number of developing institutions in all of the States.

Mr. GRIFFIN. Would the gentlewoman deny the fact that there are some in every State? Would we not find some so-called underdeveloped or developing institutions in every State of the Union?

Mrs. GREEN of Oregon. If the gentleman will yield further, but if you found one developing institution in one State—we will say the State of Massachusetts in which institutions of higher education are pretty strongly developed—suppose there is one developing institution and suppose in some other State there were 20 developing institutions? How would you possibly work out an allocation of funds that would really do the thing which the gentleman from Michigan wants to do?

There should be some recognition that some institutions would not want to participate. This is not mandatory.

For instance, Brown University in Rhode Island perhaps would not want to participate, whereas Tulane University might. This is purely on a voluntary basis. How would you work out the allocation by States? Would you give it to Brown University or would you give it to Tulane University?

Mr. GRIFFIN. I will remind the gentlewoman from Oregon that this problem has been worked out in a number of other programs and, of course, it is not incumbent upon an institution to take funds merely because they are allocated. Such funds could be reallocated to other States if they were not used? Under this bill there are no meaningful guidelines or criteria whatsoever. In effect, under this bill, we would be giving \$30 million to the Commissioner of Education and are saying, "Do with it as you please, and help some developing institutions."

I do not think that is the way we should legislate.

Mr. BRADEMAS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I shall be very brief.

The gentlewoman from Oregon [Mrs. GREEN] has in very telling fashion pointed out further instances in which we have programs of Federal support for education which are not based on a State-by-State allocation while she has indicated that in other Federal aid leg-

isolation there are educational programs which are based on a State-by-State allocation.

The reason we allocate the funds in different ways in different bills is that the various programs are geared to achieving different objectives.

For example, I might point out to the gentleman from Michigan that in the National Science Foundation program for centers of excellence, we also authorize the Director of the National Science Foundation to make grants of Federal money to various universities in the United States where the Director of the National Science Foundation has reason to think it is possible to develop first-class centers of study in certain fields. It would not be reasonable to require in this particular instance a State-by-State allocation. That is not the purpose of the NSF program.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from North Carolina.

Mr. JONAS. I think the gentleman will find that the Director of the National Science Foundation has no such authority. He acts only following the approval and action on the part of the Science Board and the other boards that are set up.

Mr. BRADEMAS. That is not at all what I said, if the gentleman will pay attention to what I said. And I base my observation here on a conversation I have just had with a member of House Science and Astronautics Committee. I said there is no State-by-State allocation of NSF funds for the centers of excellence programs. This, therefore, is an approach analogous to title III, the developing institutions title of the bill we are now considering.

Mr. JONAS. May I advise the gentleman I was paying very close attention to what he said. The only remark he made to which I took exception was his statement that the Director of the National Science Foundation had authority to do that on his own responsibility.

Mr. BRADEMAS. I in no way change my statement. The gentleman from Michigan [Mr. GRIFFIN] has suggested in his remarks that we give the Commissioner of Education a blank check in title III. I think that is an exaggeration because we do provide for an advisory council in this title of the legislation.

Mr. Chairman, I oppose the amendment, and hope it will be defeated.

Mr. JONAS. Mr. Chairman, I rise in opposition to the pro forma amendment.

May I take a minute or two to ask the gentleman from Michigan if it is not correct that under the provisions of the title to which his amendment applies we are not just dealing with a blank check for \$30 million but with at least \$150 million, because while the specific authorization is only for \$30 million for the first year the program is for 5 years and the bill is open ended so far as future authorizations are concerned.

Can the gentleman imagine Congress next year reducing this authorization? Is it not reasonable to assume that Congress next year will be asked to at least maintain the \$30 million funding level?

Mr. GRIFFIN. I agree with the gentleman. We have no way of knowing how much Congress would authorize in the succeeding fiscal years. But obviously if you get a program such as this going—with \$30 million—imagine the colleges and institutions of higher education that have been left out and which are handicapped because of lack of adequate personnel and financial resources, because as I say probably 90 percent of the colleges of the country would claim to be in that category and with justification—imagine the clamor there will be for additional funds if you get a program of this nature started without any guidelines and without any limitations whatsoever and without any allocation of funds as among the States.

Mr. JONAS. I thank the gentleman for his comment and I thank him for offering the amendment which I gladly support. I hope to be able to support this bill on final passage. I am in favor of several of the titles in the bill but some parts of the bill worry me. This particular one worries me no end because I do not feel justified and I ask my colleagues in the Committee of the Whole to think carefully what you are about to do if you defeat this amendment—you are going to give the Commissioner of Education a blank check for \$30 million of the taxpayers' money to expend under this title as he sees fit. I, for one, never expect to vote to give any official of the Government that kind of blank check authority.

Mr. BRADEMAS. Mr. Chairman, will the gentleman yield?

Mr. JONAS. I yield to the gentleman.

Mr. BRADEMAS. The gentleman very fairly, I think, pointed out in the colloquy I had with him on the NSF the centers of excellence program that the director of that program did have the advice of a board. I would call the attention of the gentleman to page 28 of the bill, section 303, where in like fashion in respect of title III of the bill we are considering there is provided an Advisory Council on Developing Institutions to advise the commissioner of education in this respect. I think it is fair to point out if there is a blank check in this bill, there is a blank check in the NSF program—but in my judgment there is no blank check in either.

Mr. JONAS. My response to the gentleman is that I have read the subparagraph to which he makes reference, and I am aware of the fact that a council is created by this title. But I point out that the Commissioner appoints the council members and he is not compelled to abide by or to follow the advice given him by the council. Certainly a council is set up here, which he himself selects, to advise him, but he is not compelled to follow it. The authority is not given to the council to determine how this money shall be spent. Authority is given to one man, the Commissioner of Education, and I think that is too much authority for one man to have—to have in his pocket \$30 million to dispense around the United States. I call your attention to the fact as I did in my opening comment that this is a 5-year program that we are embarking upon and to my way of

thinking, we are talking of giving a blank check for \$150 million instead of \$30 million.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. GRIFFIN].

The question was taken; and on a division (demanded by Mr. GRIFFIN) there were—ayes 33, noes 59.

So the amendment was rejected.

The CHAIRMAN. Are there any further amendments to title III?

There being none, the Clerk will report the first committee amendment.

The Clerk read as follows:

Page 34, line 12, strike out "third" and insert in lieu thereof "fourth".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 40, line 19, strike out "(5)".

The committee amendment was agreed to.

AMENDMENT OFFERED BY MR. ROOSEVELT

Mr. ROOSEVELT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROOSEVELT: Page 38, line 8, insert before "amount" the following: "sum of the".

Page 38, line 11, insert after "institution" the following: "and any assistance provided such student under any scholarship program established by a State or a private institution or organization,".

(Mr. ROOSEVELT asked and was given permission to revise and extend his remarks.)

Mr. ROOSEVELT. Mr. Chairman, I do not wish to take the time of the Committee. The amendment has been worked out, I believe, to the satisfaction of the minority—the gentleman from Minnesota [Mr. QUIE]—and I hope the satisfaction of the majority. I ask its acceptance, and I will, of course, put the explanation of the amendment in the RECORD.

Mr. Chairman, a number of persons from the educational community, executive directors of State scholarship boards and the American Council on Education have expressed great concern to me about one of the features of the educational opportunity grant program. The bill in its present form provides that an educational opportunity grant may represent not more than one-half of the total amount of student assistance which a college or university makes available to a student, not including compensation under any work study program. Thus assistance may consist of one-half an educational opportunity grant and one-half an National Defense Education Act loan, or perhaps one-half an educational opportunity grant and one-half a scholarship from the institution's own funds. I certainly agree that this partnership feature and coordinated plan is desirable. However, I share the concern of leaders in the educational community that to exclude State scholarships and private scholarships from coordination with educational opportunity grants is unduly restrictive, potentially harmful to

students, and places the colleges of the State in a difficult position.

There are today 13 States which have general State scholarship programs and there are 7 or 8 States that are attempting to develop such programs. The recent growth and development of these programs is both necessary and encouraging and we should not today act in any way which would hinder or impede the operation of existing programs or the development of new ones.

My amendment will provide that the grant may not exceed one-half of the total amount made available by the institution, and through a State scholarship provision and through a private scholarship program.

This amendment retains the existing provision in H.R. 9567 which places an overall maximum limitation of \$800 on the size of the grant regardless of whatever forms of student assistance are provided on needed.

Without my amendment private scholarship programs and State programs might very easily be in competition with the Federal educational opportunity grant program, since a State scholarship program would in no way effect the opportunity grant program within a State.

States might be inclined to cut back or decide not to develop a State scholarship program on the grounds that the Federal program would adequately care for the States needy students. There is a limited amount of money through the Federal program, not enough to reach all extremely needy students. Thus, both State scholarship and private scholarship funds are needed to supplement the Federal program.

My amendment will provide for effective coordination with these other programs. Possibly the effect of the amendment can be best understood if I cite the situation in my own State. In California there is a State scholarship program. Thus, institutions of higher education are not required to maintain institutional scholarship funds to the extent that institutions in States not having State scholarship programs would. With a limited amount of institutional aid available because of the State assistance, extremely needy students at such institutions are disadvantaged because the size of their educational opportunity grant will be governed by the institutional aid available which is, in turn, limited because of the State assistance.

Under my amendment, Mr. Chairman, the institution will take into consideration the student's overall financial need. To meet this need the student will be able to use all forms of student financial aid in meeting that need, including State programs with the limitation that no educational opportunity grant may be equal to more than one-half of what the institution determines the need to be.

Mr. Chairman, this is consistent with the committee's intention that great discretion be placed in our institutions of higher education in administering Federal programs.

Mr. POWELL. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. I am happy to yield to my chairman.

Mr. POWELL. We are happy to accept the amendment on this side.

Mr. QUIE. Mr. Chairman, I will accept the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. ROOSEVELT].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. QUIE

Mr. QUIE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. QUIE: On page 71, line 22, strike out "such sums as may be necessary" and insert "such sums as the Congress may hereafter authorize by law".

Mr. QUIE. Mr. Chairman, I offer this amendment to make part C conform with the rest of the bill. What we have done in this bill is to authorize money for 1 year. The program will go on for 3 years, but we authorize funds for one year. It will be necessary to come back to the Education and Labor Committee next year. This is the way we handled it under the Economic Opportunity Act amendment and extension. As I recall, we had a 1-year authorization for the work study program under the poverty program. This will merely make the language conform.

Mr. POWELL. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from New York.

Mr. POWELL. As the gentleman knows, it has always been the position of the committee, since I became the chairman, that it does not favor open-end authorizations. Therefore, on this side I will accept the amendment. I hope the gentleman's side will support him.

Mr. QUIE. I thank the chairman. I am sure they will.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. QUIE].

The amendment was agreed to.

AMENDMENT OFFERED BY MRS. GREEN OF OREGON

Mrs. GREEN of Oregon. Mr. Chairman, I offer a substitute amendment for part B of title IV of the bill.

The Clerk read as follows:

Amendment offered by Mrs. GREEN of Oregon: On page 43, strike out line 1 and all that follows through line 4 on page 70, and insert in lieu thereof the following:

"Part B—Federal, State, and private programs of low-interest insured loans to students in institutions of higher education
"Statement of Purpose and Appropriations Authorized

"Sec. 421. (a) The purpose of this part is to enable the Commissioner (1) to encourage States and nonprofit private institutions and organizations to establish adequate loan insurance programs for students in eligible institutions (as defined in section 434), (2) to provide a Federal program of student loan insurance for students who do not have reasonable access to a State or private nonprofit program of student loan insurance covered by an agreement under section 428(b), and (3) to pay a portion of the interest on loans to qualified students which are made by a State or which are insured under this part

or under a program of a State or of a nonprofit private institution or organization which meets the requirements of section 428(a)(1)(A).

"(b) For the purpose of carrying out this part—

"(1) there are authorized to be appropriated to the student loan insurance fund (established by section 431) (A) the sum of \$1,000,000, and (B) such further sums, if any, as may become necessary for the adequacy of the student loan insurance fund,

"(2) there are authorized to be appropriated, for payments under section 428 with respect to interest on student loans, such sums for the fiscal year ending June 30, 1966, and succeeding fiscal years, as may be required therefor, and

"(3) there are authorized to be appropriated the sum of \$17,500,000 for making advances pursuant to section 422 for the reserve funds of State and nonprofit private student loan insurance programs.

Sums appropriated under clauses (1) and (2) of this subsection shall remain available until expended, and sums appropriated under clause (3) of this subsection shall remain available for advances under section 422 until the close of the fiscal year ending June 30, 1968.

"Advances for Reserve Funds of State and Nonprofit Private Loan Insurance Programs

"Sec. 422. (a) (1) From the sums appropriated pursuant to clause (3) of section 421(b), the Commissioner is authorized to make advances to any State with which he has made an agreement pursuant to section 428(b) for the purpose of helping to establish or strengthen the reserve fund of the student loan insurance program covered by that agreement. If for any of the fiscal years ending June 30, 1966, June 30, 1967, or June 30, 1968, a State does not have a student loan insurance program covered by an agreement made pursuant to section 428(b), and the Commissioner determines after consultation with the chief executive officer of that State that there is no reasonable likelihood that the State will have such a student loan insurance program for such year, the Commissioner may make advances for such year for the same purpose to one or more nonprofit private institutions or organizations with which he has made an agreement pursuant to section 428(b) in order to enable students in that State to participate in a program of student loan insurance covered by such an agreement. The Commissioner may make advances under this subsection both to a State program (with which he has such an agreement) and to one or more nonprofit private institutions or organizations (with which he has such an agreement) in that State if he determines that such advances are necessary in order that students at every eligible institution have access through such institution to a student loan insurance program which meets the requirements of section 428(b)(1).

"(2) Advances pursuant to this subsection shall be upon such terms and conditions (including conditions relating to the time or times of payment) consistent with the requirements of section 428(b) as the Commissioner determines will best carry out the purposes of this section. Advances made by the Commissioner under this subsection shall be repaid within such period as the Commissioner may deem to be appropriate in each case in the light of the maturity and solvency of the reserve fund for which the advance was made.

"(b) The total of the advances to any State pursuant to subsection (a) may not exceed an amount which bears the same ratio to 2½ per centum of \$700,000,000 as the population of that State aged eighteen to twenty-two, inclusive, bears to the total population of all the States aged eighteen to

twenty-two inclusive. If the amount so determined for any State, however, is less than \$25,000, it shall be increased to \$25,000 and the total of the increases thereby required shall be derived by proportionately reducing (but not below \$25,000) the amount so determined for each of the remaining States. Advances to nonprofit private institutions and organizations pursuant to subsection (a) may be in such amounts as the Commissioner determines will best achieve the purposes for which they are made, except that the sum of (1) advances to such institutions and organizations for the benefit of students in any State plus (2) the amounts advanced to such State, may not exceed the maximum amount which may be advanced to that State pursuant to the first two sentences of this subsection. For the purposes of this subsection, the population aged eighteen to twenty-two inclusive, of each State and of all the States shall be determined by the Commissioner on the basis of the most recent satisfactory data available to him.

"Effect of Adequate Non-Federal Programs"

"SEC. 423. The Commissioner shall not issue certificates of insurance under section 429 to lenders in a State if he determines that every eligible institution has reasonable access in that State to a State or private nonprofit student loan insurance program which is covered by an agreement under section 428(b).

"Scope and Duration of Loan Insurance Program"

"SEC. 424. (a) The total principal amount of new loans made and installments paid pursuant to lines of credit (as defined in section 434) to students covered by insurance under this part shall not exceed \$700,000,000 in the fiscal year ending June 30, 1966, \$1,000,000,000 in the fiscal year ending June 30, 1967, and \$1,400,000,000 in the fiscal year ending June 30, 1968. Thereafter, insurance pursuant to this part may be granted only for loans made (or for loan installments paid pursuant to lines of credit) to enable students, who have obtained prior loans insured under this part, to continue or complete their educational program; but no insurance may be granted for any loan made or installment paid after June 30, 1972.

"(b) The Commissioner may, if he finds it necessary to do so in order to assure an equitable distribution of the benefits of this part, assign, within the maximum amounts specified in subsection (a), insurance quotas applicable to eligible lenders, or to States or areas, and may from time to time reassign unused portions of these quotas.

"Limitations on Individual Loans and on Insurance"

"SEC. 425. (a) The total of the loans made to a student in any academic year or its equivalent (as determined under regulations of the Commissioner) which may be covered by insurance under this part may not exceed \$1,500 in the case of a graduate or professional student (as defined in regulations of the Commissioner), or \$1,000 in the case of any other student. The aggregate insured unpaid principal amount of all such insured loans made to any student shall not at any time exceed \$7,500 in the case of any graduate or professional student (as defined in regulations of the Commissioner, and including any such insured loans made to such person before he became a graduate or professional student), or \$5,000 in the case of any other student. The annual insurable limit per student shall not be deemed to be exceeded by a line of credit under which actual payments by the lender to the borrower will not be made in any year in excess of the annual limit.

"(b) The insurance liability on any loan insured under this part shall be 100 per

centum of the unpaid balance of the principal amount of the loan. Such insurance liability shall not include liability for interest whether or not that interest has been added to the principal amount of the loan.

"Sources of Funds"

"SEC. 426. Loans made by eligible lenders in accordance with this part shall be insurable whether made from funds fully owned by the lender or from funds held by the lender in a trust or similar capacity and available for such loans.

"Eligibility of Student Borrowers and Terms of Student Loans"

"SEC. 427. (a) A loan by an eligible lender shall be insurable under the provisions of this part only if—

"(1) made to a student who (A) has been accepted for enrollment at an eligible institution or, in the case of a student already attending such institution, is in good standing there as determined by the institution, and (B) is carrying at least one-half of the normal full-time workload as determined by the institution, and (C) has provided the lender with a statement of the institution which sets forth a schedule of the tuition and fees applicable to that student and its estimate of the cost of board and room for such a student; and

"(2) evidenced by a note or other written agreement which—

"(A) is made without security and without endorsement, except that if the borrower is a minor and such note or other written agreement executed by him would not, under the applicable law, create a binding obligation, endorsement may be required.

"(B) provides for repayment (except as provided in subsection (c) of the principal amount of the loan in installments over a period of not less than five years (unless sooner repaid) nor more than ten years beginning not earlier than six months no later than one year after the date on which the student ceases to carry at an eligible institution at least one-half the normal full-time academic workload as determined by the institution, except that (i) the period of the loan may not exceed fifteen years from the execution of the note or written agreement evidencing it and (ii) the note or other written instrument may contain such provisions relating to repayment in the event of default in the payment of interest or in the payment of the cost of insurance premiums, or other default by the borrower, as may be authorized by regulations of the Commissioner in effect at the time the loan is made.

"(C) provides for interest on the unpaid principal balance of the loan at a yearly rate, not exceeding the applicable maximum rate prescribed and defined by the Secretary (within the limits set forth in subsection (b)) on a national, regional, or other appropriate basis, which interest shall be payable in installments over the period of the loan except that, if provided in the note or other written agreement, any interest payable by the student may be deferred until not later than the date upon which repayment of the first installment of principal falls due, in which case interest that has so accrued during that period may be added on that date to the principal (but without thereby increasing the insurance liability under this part).

"(D) provides that the lender will not collect or attempt to collect from the borrower any portion of the interest on the note which is payable by the Commissioner under this part,

"(E) entitles the student borrower to accelerate without penalty repayment of the whole or any part of the loan, and

"(F) contains such other terms and conditions, consistent with the provisions of this part and with the regulations issued by the Commissioner pursuant to this part, as may be agreed upon by the parties to such

loan, including, if agreed upon, a provision requiring the borrower to pay to the lender, in addition to principal and interest, amounts equal to the insurance premiums payable by the lender to the Commissioner with respect to such loan.

"(b) No maximum rate of interest prescribed and defined by the Secretary for the purposes of clause (2) (C) of subsection (a) may exceed 6 per centum per annum on the unpaid principal balance of the loan, except that under circumstances which threaten to impede the carrying out of the purposes of this part, one or more of such maximum rates of interest may be as high as 7 per centum per annum on the unpaid principal balance of the loan.

"(c) The total of the payments by a borrower during any year of any repayment period with respect to the aggregate amount of all loans to that borrower which are insured under this part shall not be less than \$360 or the balance of all of such loans (together with interest thereon), whichever amount is less.

"Federal Payments To Reduce Student Interest Costs"

"SEC. 428. (a) (1) Each student who has received a loan—

"(A) which is insured under this part;

"(B) which was made for study at an eligible institution under a State student loan program (meeting criteria prescribed by the Commissioner), and which was contracted for, and paid to the student, within the period specified by paragraph (4); or

"(C) which is insured under a program of a State or of a nonprofit private institution or organization, which was contracted for, and paid to the student, within the period specified in paragraph (4), and which—

"(i) in the case of a loan insured prior to July 1, 1967, was made by an eligible lender and is insured under a program which meets the requirements of subparagraph (E) of subsection (b) (1) and provides that repayment of such loan shall be in installments beginning not earlier than sixty days after the student ceases to pursue a course of study (as described in subparagraph (D) of subsection (b) (1)) at an eligible institution, or

"(ii) in the case of a loan insured after June 30, 1967, is insured under a program covered by an agreement made pursuant to subsection (b),

and whose adjusted family income is less than \$15,000 at the time of execution of the note or written agreement evidencing such loan, shall be entitled to have paid on his behalf and for his account to the holder of the loan, over the period of the loan, a portion of the interest on the loan. For the purposes of this paragraph, the adjusted family income of a student shall be determined pursuant to regulations of the Commissioner in effect at the time of the execution of the note or written agreement evidencing the loan. Such regulations shall provide for taking into account such factors, including family size, as the Commissioner deems appropriate.

"(2) The portion of the interest on a loan which a student is entitled to have paid on his behalf and for his account to the holder of the loan pursuant to paragraph (1) shall be equal to the total amount of the interest on the unpaid principal amount of the loan which accrues prior to the beginning of the repayment period of the loan, and 3 per centum per annum of the unpaid principal amount of the loan (excluding interest which has been added to principal) thereafter; but such portion of the interest on a loan shall not exceed, for any period, the amount of the interest on that loan which is payable by the student after taking into consideration the amount of any interest on that loan which the student is entitled to have paid on his behalf for that period under any State or private loan insurance program. In the

absence of fraud by the lender, that determination shall be final so far as the obligation of the Commissioner to pay a portion of the interest on a loan is concerned. The holder of a loan with respect to which payments are required to be made under this section shall be deemed to have a contractual right, as against the United States, to receive from the Commissioner the portion of interest which has been so determined. The Commissioner shall pay this portion of the interest to the holder of the loan on behalf of and for the account of the borrower at such times as may be specified in regulations in force when the applicable agreement entered into pursuant to subsection (b) was made, or if the loan was made by a State or is insured under a program which is not covered by such an agreement, at such times as may be specified in regulations in force at the time the loan was paid to the student.

"(3) Each holder of a loan with respect to which payments of interest are required to be made by the Commissioner shall submit to the Commissioner, at such time or times and in such manner as he may prescribe, statements containing such information as may be required by or pursuant to regulation for the purpose of enabling the Commissioner to determine the amount of the payment which he must make with respect to that loan.

"(4) The period referred to in subparagraphs (B) and (C) of paragraph (1) of this subsection shall begin on the date of enactment of this Act and end on June 30, 1968, except that, in the case of a loan made or insured under a student loan or loan insurance program, to enable a student who has obtained a prior loan made or insured under such program to continue his educational program, such period shall end on June 30, 1972.

"(5) No payment may be made under this section with respect to the interest on a loan made from a student loan fund established under title II of the National Defense Education Act of 1958.

"(b)(1) Any State or any nonprofit private institution or organization may enter into an agreement with the Commissioner for the purpose of entitling students who receive loans which are insured under a student loan insurance program of that State, institution, or organization to have made on their behalf payments equal to those provided for in subsection (a) if the Commissioner determines that the student loan insurance program—

"(A) authorizes the insurance of not less than \$1,000 nor more than \$1,500 in loans to any individual student in any academic year or its equivalent (as determined under regulations of the Commissioner);

"(B) authorizes the insurance of loans to any individual student for at least six academic years of study or their equivalent (as determined under regulations of the Commissioner);

"(C) provides that (i) the student borrower shall be entitled to accelerate without penalty the whole or any part of an insured loan, (ii) the period of any insured loan may not exceed fifteen years from the date of execution of the note or other written evidence of the loan, and (iii) the note or other written evidence of any loan may contain such provisions relating to repayment in the event of default by the borrower as may be authorized by regulations of the Commissioner in effect at the time such note or written evidence was executed;

"(D) subject to subparagraph (C), provides that, where the total of the insured loans to any student which are held by any one person exceeds \$2,000, repayment of such loans shall be in installments over a period of not less than five years nor more than ten years beginning not earlier than six months nor later than one year after the student ceases to pursue a full-time course

of study at an eligible institution, except that if the program provides for the insurance of loans for part-time study at eligible institutions the program shall provide that such repayment period shall begin not earlier than six months nor later than one year after the student ceases to carry at an eligible institution at least one-half the normal full-time academic workload as determined by the institution;

"(E) authorizes interest on the unpaid balance of the loan at a yearly rate not in excess of 6 per centum per annum on the unpaid principal balance of the loan (exclusive of any premium for insurance which may be passed on to the borrower);

"(F) insures not less than 80 per centum of the unpaid principal of loans insured under the program;

"(G) does not provide for collection of an excessive insurance premium;

"(H) provides that the benefits of the loan insurance program will not be denied any student because of his family income or lack of need if his adjusted family income at the time the note or written agreement is executed is less than \$15,000 (as determined pursuant to the regulations of the Commissioner prescribed under section 428 (a)(1));

"(I) provides that a student may obtain insurance under the program for a loan for any year of study at an eligible institution; and

"(J) in the case of a State program, provides that such State program is administered by a single State agency, or by one or more nonprofit private institutions or organizations under the supervision of a single State agency.

"(2) Such an agreement shall—

"(A) provide that the holder of any such loan will be required to submit to the Commissioner, at such time or times and in such manner as he may prescribe, statements containing such information as may be required by or pursuant to regulation for the purpose of enabling the Commissioner to determine the amount of the payment which he must make with respect to that loan;

"(B) include such other provisions as may be necessary to protect the financial interest of the United States and promote the purposes of this part and as are agreed to by the Commissioner and the State or private organization or institution; and

"(C) provide for making such reports in such form and containing such information as the Commissioner may reasonably require to carry out his function under this part and for keeping such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports.

"Certificates of Insurance—Effective Date of Insurance

"Sec. 429. (a)(1) If, upon application by an eligible lender, made upon such form, containing such information, and supported by such evidence as the Commissioner may require, and otherwise in conformity with this section, the Commissioner finds that the applicant has made a loan to an eligible student which is insurable under the provisions of this part, he may issue to the applicant a certificate of insurance covering the loan and setting forth the amount and terms of the insurance.

"(2) Insurance evidenced by a certificate of insurance pursuant to subsection (a)(1) shall become effective upon the date of issuance of the certificate, except that the Commissioner is authorized, in accordance with regulations, to issue commitments with respect to proposed loans, or with respect to lines (or proposed lines) of credit, submitted by eligible lenders, and in that event, upon compliance with subsection (a)(1) by the lender, the certificate of insurance may be issued effective as of the date when any loan,

or any payment by the lender pursuant to a line of credit, to be covered by such insurance was made. Such insurance shall cease to be effective upon sixty days' default by the lender in the payment of any installment of the premiums payable pursuant to subsection (c).

"(3) An application submitted pursuant to subsection (a)(1) shall contain (A) an agreement by the applicant to pay, in accordance with regulations, the premiums fixed by the Commissioner pursuant to subsection (c), and (B) an agreement by the applicant that if the loan is covered by insurance the applicant will submit such supplementary reports and statements during the effective period of the loan agreement, upon such forms, at such times, and containing such information as the Commissioner may prescribe by or pursuant to regulation.

"(b)(1) In lieu of requiring a separate insurance application and issuing a separate certificate of insurance for each student loan made by an eligible lender as provided in subsection (a), the Commissioner may, in accordance with regulations consistent with section 424, issue to any eligible lender applying therefor a certificate of comprehensive insurance coverage which shall, without further action by the Commissioner, insure all insurable loans made by that lender, on or after the date of the certificate and before a specified cutoff date, within the limits of an aggregate maximum amount stated in the certificate. Such regulations may provide for conditioning such insurance, with respect to any loan, upon compliance by the lender with such requirements (to be stated or incorporated by reference in the certificate) as in the Commissioner's judgment will best achieve the purpose of this subsection while protecting the financial interest of the United States and promoting the objectives of this part, including (but not limited to) provisions as to the reporting of such loans and information relevant thereto to the Commissioner and as to the payment of initial and other premiums and the effect of default therein, and including provision for confirmation by the Commissioner from time to time (through endorsement of the certificate) of the coverage of specific new loans by such certificate, which confirmation shall be incontestable by the Commissioner in the absence of fraud or misrepresentation of fact or patent error.

"(2) If the holder of a certificate of comprehensive insurance issued under this subsection grants to a student a line of credit extending beyond the cutoff date specified in that certificate, loans or payments thereon made by the holder after that date pursuant to the line of credit shall not be deemed to be included in the coverage of that certificate except as may be specifically provided therein; but, subject to the limitations of section 424, the Commissioner may, in accordance with regulations, make commitments to insure such future loans or payments, and such commitments may be honored either as provided in subsection (a) or by inclusion of such insurance in comprehensive coverage under this subsection for the period or periods in which such future loans or payments are made.

"(c) The Commissioner shall, pursuant to regulations, charge for insurance on each loan under this part a premium in an amount not to exceed one-fourth of 1 per centum per year of the unpaid principal amount of such loan (excluding interest added to principal), payable in advance, at such time and in such manner as may be prescribed by the Commissioner. Such regulations may provide that such premium shall not be payable, or if paid shall be refundable, with respect to any period after default in the payment of principal or interest or after the borrower has died or becomes totally and permanently disabled, if (1) notice of such default or other event has been duly given,

and (2) request for payment of the loss insured against has been made or the Commissioner has made such payment on his own motion pursuant to section 430(a).

"(d) The rights of an eligible lender arising under insurance evidenced by a certificate of insurance issued to it under this section may be assigned as security by such lender only to another eligible lender, and subject to regulation by the Commissioner.

"(e) The consolidation of the obligations of two or more insured loans obtained by a student borrower in any fiscal year into a single obligation evidenced by a single instrument of indebtedness shall not affect the insurance by the United States. If the loans thus consolidated are covered by separate certificates of insurance issued under subsection (a), the Commissioner may upon surrender of the original certificates issue a new certificate of insurance in accordance with that subsection upon the consolidated obligation; if they are covered by a single comprehensive certificate issued under subsection (b), the Commissioner may amend that certificate accordingly.

"Procedure on Default, Death, or Disability of Student

"SEC. 430. (a) Upon default by the student borrower on any loan covered by insurance pursuant to this title, or upon the death of the student borrower or a finding by the insurance beneficiary that the borrower has become totally and permanently disabled (as determined in accordance with regulations established by the Commissioner) before the loan has been repaid in full, and prior to the commencement of suit or other enforcement proceeding upon security for that loan, the insurance beneficiary shall promptly notify the Commissioner, and the Commissioner shall if requested (at that time or after further collection efforts) by the beneficiary, or may on his own motion, if the insurance is still in effect, pay to the beneficiary the amount of the loss sustained by the insured upon that loan as soon as that amount has been determined. The 'amount of the loss' on any loan shall, for the purposes of this subsection and subsection (b), be deemed to be an amount equal to the unpaid balance of the principal amount of the loan.

"(b) Upon payment by the Commissioner of the insured portion of the loss pursuant to subsection (a), the United States shall be subrogated to all of the rights of the holder of the obligation upon the insured loan and shall be entitled to an assignment of the note or other evidence of the insured loan by the insurance beneficiary. If the net recovery made by the Commissioner on a loan after deduction of the cost of that recovery (including reasonable administrative costs) exceeds the amount of the loss, the excess shall be paid over to the insured.

"(c) Nothing in this section or in this part shall be construed to preclude any forbearance for the benefit of the student borrower which may be agreed upon by the parties to the insured loan and approved by the Commissioner, or to preclude forbearance by the Commissioner in the enforcement of the insured obligation after payment on that insurance, or to require collection of the amount of any loan by the insurance beneficiary or by the Commissioner from the estate of a deceased borrower or from a borrower found by the insurance beneficiary to have become permanently and totally disabled.

"(d) Nothing in this section or in this part shall be construed to excuse the holder of a loan from exercising reasonable care and diligence in the making and collection of loans under the provisions of this part. If the Commissioner, after reasonable notice and opportunity for hearing to an eligible lender, finds that it has substantially failed

to exercise such care and diligence or to make the reports and statements required under section 428(a)(3) and section 429(a)(3), or to pay the required insurance premiums, he shall disqualify that lender for further insurance on loans granted pursuant to this part until he is satisfied that its failure has ceased and finds that there is reasonable assurance that the lender will in the future exercise necessary care and diligence or comply with such requirements, as the case may be.

"(e) As used in this section—

"(1) the term 'insurance beneficiary' means the insured or its authorized assignee in accordance with section 429(d); and

"(2) the term 'default' includes only such defaults as have existed for (A) one hundred and twenty days in the case of a loan which is repayable in monthly installments, or (B) one hundred and eighty days in the case of a loan which is repayable in less frequent installments.

"Insurance Fund

"SEC. 431. (a) There is hereby established a student loan insurance fund (hereinafter in this section called the 'fund') which shall be available without fiscal year limitation to the Commissioner for making payments in connection with the default of loans insured under this part. All amounts received by the Commissioner as premium charges for insurance and as receipts, earnings, or proceeds derived from any claim or other assets acquired by the Commissioner in connection with his operations under this part, and any other moneys, property, or assets derived by the Commissioner from his operations in connection with this section, shall be deposited in the fund. All payments in connection with the default of loans insured under this part shall be paid from the fund. Moneys in the fund not needed for current operations under this section may be invested in bonds or other obligations guaranteed as to principal and interest by the United States.

"(b) If at any time the moneys in the fund are insufficient to make payments in connection with the default of any loan insured under this part, the Commissioner is authorized to issue to the Secretary of the Treasury notes or other obligations in such forms and denominations, bearing such maturities, and subject to such terms and conditions as may be prescribed by the Commissioner with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations issued hereunder and for that purpose he is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under that Act, as amended, are extended to include any purchases of such notes and obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this subsection. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States. Sums borrowed under this subsection shall be deposited in the fund and redemption of such notes and obligations shall be made by the Commissioner from such fund.

"Legal Powers and Responsibilities

"SEC. 432. (a) In the performance of, and with respect to, the functions, powers, and

duties vested in him by this part, the Commissioner may—

"(1) prescribe such regulations as may be necessary to carry out the purposes of this part;

"(2) sue and be sued in any court of record of a State having general jurisdiction or in any district court of the United States, and such district courts shall have jurisdiction of civil actions arising under this part without regard to the amount in controversy, and any action instituted under this subsection by or against the Commissioner shall survive notwithstanding any change in the person occupying the office of Commissioner or any vacancy in that office; but no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against the Commissioner or property under his control, and nothing herein shall be construed to except litigation arising out of activities under this part from the application of sections 507(b) and 2679 of title 28 of the United States Code and of section 367 of the Revised Statutes (5 U.S.C. 316);

"(3) include in any contract for insurance such terms, conditions, and covenants relating to repayment of principal and payment of interest, relating to his obligations and rights and to those of eligible lenders, and borrowers in case of default, and relating to such other matters as the Commissioner determines to be necessary to assure that the purposes of this part will be achieved; and any term, condition, and covenant made pursuant to this clause or any other provisions of this part may be modified by the Commissioner if he determines that modification is necessary to protect the financial interest of the United States;

"(4) subject to the specific limitations in this part, consent to the modification, with respect to rate of interest, time of payment of any installment of principal and interest or any portion thereof, or any other provision of any note or other instrument evidencing a loan which has been insured under this part;

"(5) enforce, pay, or compromise, any claim on, or arising because of, any such insurance; and

"(6) enforce, pay, compromise, waive, or release any right, title, claim, lien, or demand, however acquired, including any equity or any right or redemption.

"(b) The Commissioner shall, with respect to the financial operations arising by reason of this part—

"(1) prepare annually and submit a budget program as provided for wholly owned Government corporations by the Government Corporation Control Act; and

"(2) maintain with respect to insurance under this part an integral set of accounts, which shall be audited annually by the General Accounting Office in accordance with principles and procedures applicable to commercial corporate transactions, as provided by section 105 of the Government Corporation Control Act, except that the transactions of the Commissioner, including the settlement of insurance claims and of claims for payments pursuant to section 428, and transactions related thereto and vouchers approved by the Commissioner in connection with such transactions, shall be final and conclusive upon all accounting and other officers of the Government.

"Participation by Federal Credit Unions in Federal, State, and Private Student Loan Insurance Programs

"SEC. 433. Notwithstanding any other provision of law, Federal credit unions shall, pursuant to regulations of the Director of the Bureau of Federal Credit Unions, have power to make insured loans up to 10 per centum of their assets, to student members in accordance with the provisions of this part or in accordance with the provisions of

any State or nonprofit private student loan insurance program with respect to which there is in effect an agreement with the Commissioner under section 428(b).

"Definitions for Reduced-Interest Student Loan Insurance Program"

"Sec. 434. As used in this part:

"(a) The term 'eligible institution' means an institution described in the first sentence of section 701(a).

"(b) The term 'eligible lender' means an eligible institution, an agency or instrumentality of a State, or a financial or credit institution (including an insurance company) which is subject to examination and supervision by an agency of the United States or of any State.

"(c) The term 'line of credit' means an arrangement or agreement between the lender and the borrower whereby a loan is paid out by the lender to the borrower in annual installments, or whereby the lender agrees to make, in addition to the initial loan, additional loans in subsequent years."

Mrs. GREEN of Oregon (interrupting the reading). Mr. Chairman, I ask unanimous consent that further reading of the substitute amendment be dispensed with. This is something I have discussed with the minority side.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Oregon?

There was no objection.

Mr. QUIE. Mr. Chairman, will the gentlewoman yield?

Mrs. GREEN of Oregon. I yield to the gentleman from Minnesota.

Mr. QUIE. I find that this is very acceptable. I opposed this section of the bill when it came out of the committee. This was worked out with the administration and the Bankers Association. I will accept the amendment.

Mrs. GREEN of Oregon. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Oregon [Mrs. GREEN].

Mr. JONES of Missouri. Mr. Chairman, we are moving quite fast. Amendments are being offered and agreed to on both sides. Those of us who do not serve on the committee are at a loss to know what is involved.

I should like to know what the amendment is all about. I heard something about going from page 43 to page 70. I cannot follow that. I should like to know a little about what is going on.

Mrs. GREEN of Oregon. Mr. Chairman, part of this substitute amendment is really clarifying language. It begins on page 43. These are four substantive changes approved by both the majority and the minority sides.

This refers to the guaranteed-loan program for students, and it is designed especially for those students who come from middle-income families.

One of the most important substantive changes is that they will authorize advances for reserve funds of nonprofit private loan insurance programs if a State will not have a program during the next 3 fiscal years.

It also provides for a 2-year transitional program of interest subsidy payments for student borrowers who borrow under programs which do not meet all of the Federal standards. It also deletes the requirement that the States match

the Federal advances to the reserve funds of State loan insurance programs. It also makes it absolutely clear that the Federal loan insurance program will be on a standby basis only.

These are the substantive changes. They have been worked out very, very carefully with the American Banking Association, the Office of Education, and the United Student Aid Fund.

I agree with the gentleman from Minnesota [Mr. QUIE], that they do strengthen the bill and clarify a couple of points which were in question.

Mr. QUIE. Mr. Chairman, will the gentlewoman yield?

Mrs. GREEN of Oregon. I yield to the gentleman.

Mr. QUIE. Whereas there was a question on the language in the bill, what this would do and the intent of this is it would encourage private nonprofit institutions and State organizations to enter into student loan programs and would encourage their programs. For that reason I am in support of this amendment.

Mr. JONES of Missouri. Mr. Chairman, will the gentlewoman yield?

Mrs. GREEN of Oregon. I yield to the gentleman.

Mr. JONES of Missouri. Do I understand we are discontinuing loans made by the colleges and all loans will be made through financial institutions?

Mrs. GREEN of Oregon. No; that is not correct. I would say to the gentleman from Missouri that the National Defense Education Act loan program is still in existence. It is not touched by part B of title IV. This is a separate loan program and is designed for those students who do not qualify for the National Defense Education Act loans because they come from families that have a higher income and therefore they would be ineligible for National Defense Education Act loans. It does not at all affect the National Defense Education Act, but it does provide for a guaranteed loan program which would be administered through banks or through credit unions or insurance companies. It is designed to strengthen the State loan programs.

Mr. JONES of Missouri. As the gentlewoman knows, I have been trying for 2 or 3 years here to get these loans made through financial institutions so as to give some responsibility or feeling of responsibility to the student and have the student have the opportunity to do business and learn about what a loan is and the obligation which it carries. As I understand it, you are not accomplishing that at all but only making this available to people who actually do not need loans.

Mrs. GREEN of Oregon. No. It is not a loan program for students who do not need it, because if they do not need it, they would not borrow.

Mr. JONES of Missouri. Let me ask this question: Was any consideration given to trying to have the loan program relieve the colleges of their responsibilities and the bookkeeping and all those things that they have and get these loans into private institutions? Has it been

discussed and has any consideration been given to that?

Mrs. GREEN of Oregon. I will say to the gentleman that this may be the first step in that direction. I really think this part of the bill carries out the purpose which the gentleman from Missouri stated on the floor, in hoping that the banks will more actively participate in student loan programs. It is also my hope that State student loan insurance programs will include other eligible lending institutions, such as Federal credit unions. Such lending institutions can also be of tremendous assistance in this effort. In fact, it should be called the Jones amendment, and I will be very glad to have it called that.

Mr. JONES of Missouri. No, but you keep telling me all the time that we are going to do it and we are going to do it, but we never get around to it. I know my colleges are having trouble in carrying on all of this bookkeeping. They are having difficulty, as I pointed out on the floor some time ago, with some of the colleges getting behind 20 percent on their loans. That is not a good thing to happen. I think we should give more attention to putting these loans through regular financial institutions. Let the Federal Government guarantee them but have the obligation for collecting them with the bank itself. They would be a little more efficient in doing it and would be doing a service to the student himself who makes the loan.

Mrs. GREEN of Oregon. That is the purpose of this provision.

Mr. JONAS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. JONAS. Has there been unanimous consent granted to dispense with the reading of this amendment?

The CHAIRMAN. Yes.

Mr. JONAS. I regret that. I would like to have heard the amendment read.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Oregon.

The amendment was agreed to.

AMENDMENT OFFERED BY MR. GRIFFIN

Mr. GRIFFIN. Mr. Chairman, I offer two amendments and I ask unanimous consent that they be considered en bloc. One is an amendment to title IV and one is an amendment to title V.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. GRIFFIN: Beginning on page 33, strike out line 2 and all that follows down through line 19 on page 40, and insert in lieu thereof the following:

"Part A—Amendment to National Defense Education Act of 1958"

"Definition of Institution of Higher Education"

"Sec. 401. Section 103(b) of the National Defense Education Act of 1958 is".

Page 73, line 5, insert "(a)" after "Sec. 501."

Page 73, insert after line 10 the following:

"(b) Section 101 of such Act is further amended by adding at the end thereof the following new subsection:

"(d) For the purposes of making grants for providing academic facilities for public community colleges and public technical institutions, there is hereby authorized to be appropriated the sum of \$74,000,000 for the fiscal year ending on June 30, 1936."

Page 73, strike out lines 12 and 13, and insert in lieu thereof the following:

"SEC. 502. (a) Section 102 of the Higher Education Facilities Act of 1963 is amended by striking out 'Of the funds appropriated pursuant to section 101 for any fiscal year, 22 per centum' and inserting in lieu thereof the following: 'The funds appropriated for any fiscal year pursuant to section 101(d) plus 22 per centum of the funds appropriated for such year pursuant to section 101(b)'."

"(b) Section 105(a)(2) of such Act is amended by striking out."

Redesignate subsections (b) and (c) of section 502 as (c) and (d), respectively.

Mr. GRIFFIN (interrupting the reading of the amendments). Mr. Chairman, I ask unanimous consent in view of the fact that this is an amendment which strikes out funds in this bill for scholarship programs and that the other amendment incorporates the sums into the construction program for community colleges, that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. GRIFFIN. Mr. Chairman, copies of these amendments have been available to the majority members of the Committee throughout the debate. The two amendments are simple. One would strike out the provisions in title IV which set up a new scholarship program. There is some \$74 million authorized in the first year for scholarships. They are called "opportunity grants" in the bill, but they are Federal scholarships.

The second amendment would transfer that \$74 million and add it to the higher education facilities construction program. The money would be available for the development and expansion of community junior colleges and technical institutes.

As I indicated earlier in my remarks during general debate it seems to me that, in many respects, we are at a crossroads as we consider the ways available to make a college education available for as many qualified students as possible in this country. As proposed in this bill, the Federal Government can start down the scholarship road. We could begin handing out money which does not have to be repaid. Obviously, this road will involve a tremendous amount of expense to the taxpayers.

Or, we could go down another road. We could concentrate a much greater effort on the development of a junior college in every community of any size in this country with the goal ahead of making 14 years of school available at a minimum cost to every boy and girl in this country.

Earlier I pointed out that the average annual cost of a college education today is some \$1,700. I should have added that this is the annual cost at a State-supported institution. The cost would probably be higher at a private college.

Obviously, a major portion of the cost of going to college is room and board.

I know from the experience gained in my home community, where we have a community college, that many local high school graduates with limited economic means—and yes, many who did not graduate in the top third of their class, have had an opportunity to go to college because there is a 2-year college located in that community. That is fine for the community where that junior college is located.

However, I know there are a number of other communities in my congressional district that would like to have a community junior college. Leaders in those communities are working to establish such colleges. Eventually they will succeed. Our State has a good program pointing in that direction. However, these community college facilities are needed now. They are needed within the next few years.

To add \$74 million to the construction program for junior colleges would be a sound investment that will pay returns over many years ahead.

Mr. Chairman, I am concerned that the scholarship program proposed in this bill would seriously impair the Federal Government's loan program.

Testimony taken by the Green subcommittee indicated that the Federal Government may be running into some trouble ahead so far as the collections are concerned under the NDEA loan program.

It appears that more and more students are neglecting to repay the loans that they have received from the Federal Government.

Mr. Chairman, I ask support for the amendment and the adoption thereof.

Mr. BRADEMAS. Mr. Chairman, I rise in opposition to the amendment.

(Mr. BRADEMAS asked and was given permission to revise and extend his remarks.)

Mr. BRADEMAS. Mr. Chairman, my friend, the gentleman from Michigan [Mr. GRIFFIN], makes it appear that you have to choose, on the one hand, between a program to provide an opportunity for young people from exceptionally poor families to go to college and a program for junior colleges, on the other. That is just not the case at all.

Mr. Chairman, I speak as a very strong friend of junior colleges. The gentleman from Michigan referred to title I of the Higher Education Academic Facilities Act that we passed in 1963 and to the 22-percent set-aside for junior and community colleges. I am proud to have been the one to have offered that amendment in the House Committee on Education and Labor. So I am a strong champion of junior colleges.

Mr. Chairman, I have here a report which was prepared by the Library of Congress recently at my request and which has just been issued as a committee print by our committee. I shall later ask to have the entire report placed in the RECORD. The report indicates the variety of Federal aid programs we now have for 2-year institutions of higher learning. I had the report prepared because I share with the gentleman from Michigan a concern to strengthen the junior college program. So, let us not try to mix apples with oranges, junior

colleges with educational opportunity grants for students from extremely poor families.

Mr. Chairman, the gentleman from Michigan makes a good deal of the fact that a number of students from low-income families do go on to college and I, too, applaud this fact. I think it is splendid but it does not have to do with the purpose of the educational opportunity grant. Its purpose is precisely what its name implies: a grant to provide an opportunity for an education to those students who without such assistance would not be able to go on to college.

Mr. Chairman, let us take a look at the criteria that a student has to meet before he is able to obtain one of these grants. I refer to page 44 of the report and read as follows:

Grants may be made only to students who the institution determines (1) show evidence of academic or creative promise and capability of maintaining good standing in their course of study, (2) are of exceptional financial need, (3) are eligible for a loan from such fund, and (4) would not but for an educational opportunity grant, be financially able to pursue a course of study at such institution of higher learning.

Mr. Chairman, I call to the attention once again of the gentleman from Michigan the eloquent statement of his colleague on his side of the aisle, the gentleman from Minnesota [Mr. QUIE], to the effect that this is the best scholarship section that has been provided by Congress up to this point.

Also I call to his attention that this educational opportunity grant program is on all fours with a recommendation which was joined in by the gentleman from Minnesota [Mr. QUIE] and the very able gentleman from New York on the other side of the aisle [Mr. GOODELL] in January 1962, when they joined with the gentleman from Connecticut [Mr. GRAIMO] and the gentleman from Michigan [Mr. O'HARA] and myself in recommending, as members of the bipartisan Advisory Group on Higher Education, which I had the honor to chair, an educational opportunity grant precisely along the lines of title II, and I quote from that Advisory Group report:

The Advisory Group has sought to find a way of helping promising young people from very low-income families who do not have the financial resources to go to college. Many students are helped by NDEA loans but some able students from exceptionally needy families, particularly girls, and especially in families where there are other children who must be supported, are unable to accept the risk and burden of substantial debt in order to continue their education. To meet their expenses these exceptionally needy students require grants-in-aid.

It is the opinion of the Advisory Group that the colleges themselves have the most experience in seeking out these students and evaluating their needs. The group feels that a program of grants-in-aid to exceptionally needy students should be made part of the NDEA student loan program.

Mr. Chairman, we do not here provide a complete grant or scholarship. The maximum educational grant to a student may not be more than one-half of the total amount of the student assistance which the institution, the college, or university makes available to the stu-

dent, or \$800, whichever is less. If we assume on the average a \$500 educational opportunity grant per student per year, the first year's authorization would make it possible for some 130,000 able students in this country, 130,000 students from very low-income families, to have an opportunity for education who would otherwise be denied it.

That figure is not pulled out of thin air, either. The results of the Project Talent survey show that 130,000 low-income young people in the United States were not able to get admission to a college or university because they lacked the money to do so. It seems to me this Nation cannot afford the loss of any talent represented by the failure of otherwise qualified young people to obtain a college education. We are the richest nation in the world, but we are not so rich, we are not so wealthy, that we can turn our backs on able young people who would not have an opportunity to obtain a college education but for the modest sums this bill makes possible.

Mr. Chairman, I urge defeat of the pending amendment.

Mr. Chairman, under unanimous consent, I insert at this point in the RECORD a committee print of the House Committee on Education and Labor entitled, "Federal Agency Programs and the Two-Year Institutions of Higher Education".

[89th Cong., 1st sess., committee print]

FEDERAL AGENCY PROGRAMS AND THE TWO-YEAR INSTITUTION OF HIGHER EDUCATION

(A report prepared by the Legislative Reference Service, at the request of Congressman JOHN BRADEMAs, Committee on Education and Labor, House of Representatives, June 1965)

Committee on Education and Labor: Adam C. Powell, New York, chairman; Carl D. Perkins, Kentucky; Edith Green, Oregon; James Roosevelt, California; Frank Thompson, Jr., New Jersey; Elmer J. Holland, Pennsylvania; John H. Dent, Pennsylvania; Roman C. Pucinski, Illinois; Dominick V. Daniels, New Jersey; John Brademas, Indiana; James G. O'Hara, Michigan; Ralph J. Scott, North Carolina; Hugh L. Carey, New York; Augustus F. Hawkins, California; Carlton R. Sickles, Maryland; Sam Gibbons, Florida; William D. Ford, Michigan; William D. Hathaway, Maine; Patsy T. Mink, Hawaii; James H. Scheuer, New York; Lloyd Meeds, Washington; William H. Ayres, Ohio; Robert P. Griffin, Michigan; Albert H. Quile, Minnesota; Charles E. Goodell, New York; John M. Ashbrook, Ohio; Dave Martin, Nebraska; Alphonso Bell, California; Ogden R. Reid, New York; Glenn Andrews, Alabama; Edward J. Gurney, Florida.

Louise Maxienne Dargans, chief clerk.

Russell C. Derrickson, staff director.

C. Summer Stone, special assistant to the chairman.

Dr. Grace Hewell, education chief.

Leon Abramson, chief counsel for labor-management.

Michael J. Bernstein, minority counsel for education and labor.

Charles W. Radcliffe, special education counsel for minority.

LETTER OF TRANSMITTAL

JUNE 24, 1965.

Hon. ADAM C. POWELL,
Chairman, Committee on Education and Labor, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: As a member of the House Education and Labor Committee, I am naturally interested in all efforts being made

to strengthen higher education. I have been particularly impressed, however, with the development and the potential of the 2-year colleges. These institutions—junior and community colleges, technical institutes, and university branches—are being asked to assume increasing responsibilities for providing higher education opportunities to additional hundreds of thousands of our youth and adults.

With the passage in 1963 of the Higher Education Facilities Act and the Vocational Education Act, Congress recognized the importance of these colleges by placing special emphasis on efforts to improve their facilities and services. Other Federal programs aimed in part at strengthening 2-year colleges include the National Defense Education Act, the Manpower Development and Training Act, the Housing and Home Finance Agency, and the National Science Foundation. In addition, Public Health Service programs dealing with the preparation of nurses and the training of dental assistants may have special relevance for community colleges.

I have felt it would be helpful to our committee, as we consider any future legislation in this field, to have a comprehensive report of all programs through which Federal funds are now made available to the 2-year colleges. Because there has been no such survey, last year I requested the Legislative Reference Service of the Library of Congress to prepare a statement on Federal programs affecting 2-year institutions of higher education. I requested that this survey enumerate such Federal programs with attention to funds available for all types of construction, the training and development of staff and faculty, aid to students, and the strengthening and development of curriculums, especially those related to technical and semiprofessional manpower needs.

This report has now been completed and it is a most comprehensive one. Because I believe that members of the Committee on Education and Labor as well as other citizens interested in the 2-year institution will find the report valuable, I am taking the liberty of requesting that it be published in the form of a committee print.

Sincerely yours,

JOHN BRADEMAs,
Member of Congress.

FOREWORD

One of the most significant developments in education in recent years has been the nationwide growth of the 2-year college. Concomitantly, there has been an increase in the awareness of the vital role these institutions have to play in the expansion of educational opportunity beyond the high school.

The need for expanding educational opportunity beyond the high school has been clearly established. Changing manpower requirements, a new complicated technology, the knowledge explosion, and the deepening complexity of modern life demand a higher level of education for realizing even the most fundamental individual and national aspirations. Quite simply, full citizenship for all depends on full education for all. As President Johnson said earlier this year, "Higher education is no longer a luxury, but a necessity."

The striking implications of new developments in postsecondary education require that we shift our educational goals to a new level and seek new directions in higher education. It is the burgeoning junior college which has emerged as the most promising resource for meeting our changing education requirements.

The value of the 2-year college lies in its unique capacity to serve multiple functions. The public community college, in particular, serves a variety of needs by offering at little or no cost to the student a terminal liberal arts program, the first 2 years of a 4-year program, or up-to-date occupational train-

ing, in addition to providing a variety of educational and cultural activities for the community. This type of college points the way to universal education beyond the high school and is envisioned as "democracy's college of this century."

Special emphasis has been placed on the role of the 2-year college in vocational and technical training for a changing world of work. With the need for technicians and semiprofessional workers expected to double by 1970, the 2-year college will be a dynamic force in providing necessary preparation. The National Advisory Committee on the Junior College recently studied the role of the junior college and reported:

"We believe that the education and career goals of many Americans can be accommodated, that our new manpower needs can be met, and that many of our social ills can be effectively treated by worthwhile college experience in 2 years or less. Furthermore, we believe that the kind of institution which should accept this responsibility has already been developed and nurtured in many parts of the country. It is the junior college."

The importance of the junior college in providing effective programs is currently demonstrated by the keen competition among employers to recruit junior-college-trained individuals in such areas as engineering, business data processing, specialized secretarial work, hotel and restaurant work, nursing and medical, dental and X-ray technology.

With the distinctive and impressive contributions of the 2-year college, it is obvious that they occupy a strategic position in meeting our future educational challenges. The accelerating crisis in providing adequate preparation for a growing number of jobs requiring postsecondary education and training has long concerned Congress. Likewise Congress has become aware of the pressing demands for expansion and development of the junior college. Responding to these demands, Congress recently enacted the Higher Education Facilities Act of 1963 with special provisions for the public community college and technical institute. In addition, Congress amended the National Defense Education Act last year to include the junior college in certain programs.

Growing interest in the junior college has also led to an effort to examine existing Federal programs related to the 2-year college in order to help determine the extent and nature of Federal assistance. This committee print is a compilation of vital information on such programs. I hope this report will be useful to all concerned with the 2-year institution of higher education, not only in discovering current avenues of support, but also in establishing guidelines for future Federal participation in the development of the junior college.

ADAM C. POWELL,
Chairman, Committee on
Education and Labor.

This report is an attempt to present information concerning Federal programs which in anyway might assist or be related to the 2-year institution of higher education, including public and private nonprofit junior colleges, technical institutes, and 2-year university branches. For purposes of providing such information, Federal agencies known to administer programs relating to education, other than in-service training programs, were sent questionnaires. The report is based on information (fall of 1964) received from these Federal agencies and other printed sources. A listing and brief description of programs which involve the 2-year institution of higher education are contained in part I. Part II provides in chart form information on programs reported by Federal agencies concerning type and use of assistance, authority for such assistance, the types of 2-year institutions which are eligible to participate in programs, the number of those institutions currently

participating, and expenditures related to 2-year institutions.

It should be noted that because of (1) fundamental differences in the nature of the programs reported to us, (2) the different ways in which agencies keep records, and (3) differing procedures among the agencies in responding to a survey, it was not always possible to present complete information or to be consistent in the extent of detail provided. It should also be pointed out that the agencies were asked to report all programs which authorize assistance to the 2-year institution whether or not such institutions are currently benefiting. Therefore, many of the programs included in the survey are not directly applicable to the 2-year institution although occasionally they might participate in or receive assistance under these programs.

PART I. SUMMARY OF FEDERAL AGENCY PROGRAMS RELATING TO THE 2-YEAR INSTITUTION OF HIGHER EDUCATION¹

The following is a listing and brief description of Federal agency programs through which Federal moneys are or might be available to the 2-year college. This section is compiled from the agency survey and other sources. In most instances the program descriptions provided by the agencies were utilized. However, in some cases it was necessary to supplement the survey material.

*Agency for International Development
(Department of State)*

Education Resources Office

Technical cooperation program: "In connection with development projects in some 80 less developed countries of the free world, financial assistance is given annually to approximately 6,000 participants to undertake training programs in the United States. Many of these participants fall into the foreign student programs. Although most of them following academic degree programs are studying for graduate degrees, some of them especially from Africa, are enrolled in undergraduate programs. Some of these students may attend junior colleges and some do attend technical institutes.

In addition AID under contract occasionally utilizes the services of technical institutes to develop overseas projects.

Atomic Energy Commission

Division of Nuclear Education and Training

Nuclear equipment grants: Through grants to colleges and universities funds are provided, for the acquisition of specialized equipment to be used in nuclear education programs which cover the nuclear aspects of the engineering, life, and physical sciences. Although most grants are for advanced undergraduate and graduate level training, 2-year institutions of higher education may occasionally be eligible to receive funds.

Faculty training: AEC provides operational costs, in the form of a fixed price contract with the host university to conduct institutes for high school and college science teachers in the various areas of nuclear science. These institutes are jointly supported with the National Science Foundation which provides stipends for the participants. Faculty from public and private 2-year colleges, technical institutes, and university branches are eligible to participate in these institutes.

¹ The following agencies and departments surveyed reported no activities involving the distribution of Federal moneys to 2-year institutions of higher education: Department of Agriculture, Department of the Air Force (DOD), Department of Commerce, Department of Labor, Peace Corps, U.S. Information Agency, Veterans' Administration, and the Welfare Administration (HEW).

Department of Defense

**Department of the Army
Office of Personnel Operations**

Civil schools program: Tuition and expenses in institutions of higher education are provided for enlisted men's training not available in military training facilities. Programs are usually in electronics or ADPS. Public junior colleges and private technical institutes have been utilized for these purposes.

General educational development of military personnel (off-duty education): "Annual DOD Appropriation Act provides for tuition assistance up to 75 percent per credit hour (not to exceed \$14.25 per semester-hour, currently) of tuition charges for 'off duty' schooling at accredited high schools, colleges, and universities. Because of lack of personnel needing junior college training and lack of junior college facilities at most Army installations, most of the tuition assistance goes to students attending 4-year colleges and universities."

U.S. Marine Corps

Education and Information Section

Off-duty education: Tuition assistance (and instructor hire) is provided to assist Marine Corps personnel in obtaining higher education through off-duty study at accredited institutions. Public and private 2-year colleges, university branches, and technical institutes are occasionally utilized.

Department of the Navy

Educational Services Branch

Off-duty education: Tuition assistance is provided to assist naval personnel in obtaining higher education through off-duty study at accredited institutions. Public and private 2-year colleges and university branches are occasionally utilized for this purpose.

Office of Economic Opportunity

Community action programs: Grants and contracts and technical assistance may be provided by the OEO to support community action programs sponsored by public and private junior colleges, technical institutes, and 2-year university branches. Programs might include remedial education, school social work services, extracurricular tutoring, and work-study programs.

Work-study programs (administered by HEW): Part-time employment of college and university students from low-income families is provided through grants to institutions of higher education for the operation of work-study programs. Public and private junior colleges, technical institutes, and 2-year university branches are eligible to receive funds.

**Office of Education,² Department of Health,
Education and Welfare**

**Division of School Assistance for Federally
Affected Areas**

Grants for the construction of school facilities and for current operating expenses

The Federal impact program provides assistance for construction of school facilities and for current operating expenses of schools as specified in Public Law 815 and Public

² Title III of the Elementary and Secondary Education Act of 1965 (Public Law 89-10) is also relevant to the 2-year institution of higher education. Under title III local educational agencies may receive grants for financing supplementary educational centers and services which will work with the elementary and secondary schools toward furnishing broader educational opportunities for all. Institutions of higher education are among the resources which could be used in planning and operating such a program. Some possible programs would involve remedial instruction, guidance and counseling, psychological and social work services, and artistic and cultural activities.

Law 874 for children who live on Federal property or with a parent employed on Federal property. Education in the 13th and 14th grades which is provided at public expense under public supervision and direction and without tuition charge and which is provided as elementary and secondary education in the applicable State is eligible.

Division of College and University Assistance

National defense student loan program: "The student loan fund is established in every eligible institution of higher education desiring to participate in the program. Such loan funds are to be used by participating institutions to make long-term, low-cost loans to students who need financial support to enter or remain in college. The institution by law is assigned the responsibility of identifying such students and the determination of the amount of financial assistance to be granted." Public and private junior colleges, technical institutes, and 2-year university branches are eligible to participate.

U.S. loan program for Cuban students: Loans are provided "to Cuban nationals in need of funds to continue their education and unable to receive support from inside Cuba. Loans are granted by participating institutions from a loan fund established with Federal capital contribution. No matching institutional fund is required. Repayment is made by the student to the Office of Education." Any college or university participating in the national defense student loan plan is eligible for participation in the program.

Higher education facilities program: "The Higher Education Facilities Act of 1963 (Public Law 88-204) provides grants and loans to eligible colleges and universities to assist them in financing the construction, rehabilitation, or improvement of certain types of academic facilities needed to expand enrollment capacity. Title I provides grants for construction of undergraduate academic facilities; title II, grants for graduate academic facilities; and title III provides loans for construction of academic facilities. Two-year institutions may participate in title I and title III of the act.

"Of the funds to be appropriated for grants for construction of undergraduate academic facilities (title I), 22 percent is allotted to the States on the basis of per capita income and number of high school graduates. These funds are for use in providing academic facilities for public community colleges and public technical institutes. For both public and private 4-year colleges and private 2-year institutions, 78 percent of the appropriation for each year is allotted to the States on the basis of proportionate enrollments in high schools and institutions of higher education.

"The Federal share of the development cost of a title I project for a public community college or public technical institute is set at 40 percent; for an institution other than a public community college or a public technical institute, the Federal share shall not exceed one-third.

"Title III loans are made available to institutions; however, loans are made on the basis of approved applications, but no State may exceed 12½ percent of the total appropriation for any fiscal year. Loans require at least one-fourth of the development cost of the facility to be financed from non-Federal sources."

**Bureau of Educational Research and
Development**

Cooperative research and new educational media: "The cooperative research program supports research, surveys, and demonstration in the field of education. These activities are carried on in such areas as basic research, curriculum and demonstration, and the arts and humanities. Title VII, National Defense Education Act, supports

research and dissemination in media connected with education." Public and private junior colleges, technical institutes, and 2-year university branches are eligible for contracts under cooperative research and the grants and contracts under title VII (National Defense Education Act) for these programs.

Division of State Grants

Guidance and counseling: Assistance is provided through grants to State educational agencies for guidance and counseling programs. Public junior colleges, technical institutes, and 2-year university branches are eligible for support under 1964 amendments to the National Defense Education Act. The overall purpose of these programs is "(A) to advise students of courses of study best suited to their ability, aptitudes, and skills; (B) to advise students in their decisions as to the type of educational program they should pursue, the vocation they should train for and enter, and the job opportunities in the various fields; and (C) to encourage students with outstanding aptitudes and ability to complete their secondary school education, take the necessary courses for admission to institutions of higher education, and enter such institutions."

Testing: Grants are made to State educational agencies for testing programs to identify students with outstanding aptitudes and ability. Public junior colleges, technical institutes, and 2-year university branches may receive support and comparable private institutions may receive such payments from State agencies if so authorized under State law. If the State agency is not authorized by State law to make payments in other than public schools, one-half the cost of testing may be paid by the U.S. Commissioner of Education under contract with the testing agency; the other half is paid for by the school.

Equipment acquisition and minor remodeling: Public junior colleges, if determined under State law to be an upward extension of secondary schools, are eligible for equipment and minor remodeling program. Grants are made to State educational agencies for reimbursement to junior colleges for acquisition of laboratory and other special equipment to strengthen instruction in science, mathematics, history, civics, geography, modern foreign language, English, or reading, and minor remodeling for use of such equipment.

Bureau of Educational Assistance Programs

Educational television facilities program: Matching grant assistance is provided for construction of noncommercial educational TV broadcast stations on frequencies reserved by FCC for education. Grants are made on a matching basis to acquire transmission apparatus necessary to activate new ETV stations or expand existing stations. "Most applicants are universities, city school districts, or ETV community nonprofit corporations. Only a few have been in the junior college or 2-year-branch category."

Division of Vocational and Technical Education

Vocational and technical education: Public junior colleges, technical institutes, or 2-year university branches might receive assistance for salary and travel of teachers, instructional equipment, research, administrative costs, and curriculum strengthening. Grants are given to State or local education agencies having administrative direction of public educational institutions or of a public vocational education program. Support is provided for "instruction for youth and adults in agricultural occupations, merchandising and marketing, homemaking, health occupations training, highly skilled technical occupations, and work relating to all phases of industrial design, processing, production, maintenance, as well as the service occupations."

Manpower development and training: Grants are provided for instructional costs of occupational training. The program provides for training and retraining of youth and adults, unemployed and others, in occupations for gainful employment. The facilities of public and private junior colleges, technical institutes, and 2-year university branches might be utilized for this program.

Department of Health, Education, and Welfare

Surplus Property Utilization Division

Federal surplus personal property and Federal surplus real property: Many categories of real and personal surplus property of agencies and departments of the Federal Government are transferred to State agencies for surplus property which in turn distribute such property to eligible health and educational applicants at a price that takes into consideration any benefit which may accrue to the United States because of its use. Approved public and private nonprofit 2-year colleges, technical schools, and 2-year university branches are eligible to participate. Personal property includes such items as handtools, machine tools, furniture, motor vehicles, communication and electronic equipment, office machines and supplies, and other types of movable and usable property. Real property may consist of land, land and buildings and appurtenant improvements, or buildings only, with accompanying and related personal property.

Housing and Home Finance Agency

Community Facilities Administration

College housing program: "Loans are made to public or private nonprofit colleges and universities who offer a 2-year program acceptable for full credit toward a bachelor's degree. Theological schools or seminaries are not eligible. The loan may cover total cost of the land, site improvements, and construction. Eligible facilities include dormitories, apartments, or single dwellings and related service facilities such as dining halls, cafeterias, infirmaries, and college unions."

Department of the Interior

Bureau of Commercial Fisheries

Shellfish mortality program: Assistance is provided for research study at institutions which have adequate facilities to carry out the research. "The program is designed to study the causes of oyster mortality in the Delaware-Chesapeake Bay areas—particularly the so-called NSX blight which decimated oyster population in these areas beginning about 1957."

Bureau of Indian Affairs

Indian education: "Under this program financial assistance is provided individual members of Indian tribes or groups for whom the Federal Government has trust responsibility. The funds are available for any costs related to attendance in an institution of higher education including board and room or other personal expenses of the student. While the majority of the students are attending 4-year colleges, a limited number enrolled in 2-year schools are also receiving grants."

National Aeronautics and Space Administration

Office of Grants and Research Contracts

While NASA does not have any program designed for support of any particular segment of the 2-year college, scientists at such institutions may submit proposals for support of research projects. Occasionally, educational materials are provided which is part of the normal public information available to all institutions.

National Science Foundation

Institutional science programs—Instructional equipment for undergraduate education: "This program makes grants on a matching-fund basis to assist junior col-

leges, colleges, and universities in the purchase of equipment required to improve undergraduate education in the science and engineering areas. Such equipment includes new and improved reference materials, i.e., bound scientific journals, microprint cards, microfilm, scientific equipment for use in the laboratory in lecture demonstration, hand and machine tools for the construction, repair, and maintenance of scientific equipment; teaching aids such as films, models, charts, and similar audiovisual equipment, teaching machines; and a limited amount for expendable items."

Basic research project support: "The Foundation provides support for basic research in the sciences through grants to institutions of higher learning based on comprehensive review and evaluation of research proposals received. Support is provided for only a fraction of the most meritorious research proposals in the biological, medical, mathematical, physical, engineering, and some of the principal areas of the social sciences. Proposals emanate primarily from universities and liberal arts colleges with strong scientific research programs. Only sporadically have junior colleges and technical institutes received assistance from these programs."

Institutes for science and mathematics teachers: Institutes for science and mathematics teachers programs are organized and conducted by colleges and universities and supported by NSF grants. These programs include group training activities in science, engineering, and mathematics for teachers of these subjects at all levels of the educational system, in both public and private schools. Although 2-year institutions of higher education have not been the recipients of grants to sponsor institutes, faculty of such schools participate in the institute programs.

Research participation and scientific activities for teachers: "The objective of this program is to increase the teaching competence and research potential of the Nation's college teachers by giving them an opportunity to gain research experience under the supervision, or as associates, of competent, active, and productive, scientific investigators. The support provided enables teachers to spend 8 to 12 weeks in full-time research at a major institution." Personnel in 2-year colleges and universities may participate.

In addition, a number of participants each year are enabled to continue their research projects at their home institutions through extension grants to the home institution. Occasionally, under a high school faculty research participation program a 2-year institution might also be the "home institution" where a participant might continue his research project.

Fellowships and traineeships: "The fellowships and traineeships programs have as their principal objectives (1) the prevention of a critical deficiency in manpower having advanced training in the sciences and (2) the improvement in standards of science instruction." The fellowship programs assist highly qualified predoctoral science students and science teachers to undertake full-time study or research activities. Recipients of awards are selected through a nationwide competition on the basis of ability. Under the graduate traineeship program graduate trainees are appointed by U.S. institutions that confer doctorates in the sciences. Grants are made to the institutions to increase the number of their own graduate students of engineering, mathematics, and the physical sciences. Personnel in 2-year institutions of higher education may participate in these programs.

Research training for undergraduate students: "Promising undergraduates—those most likely to continue into graduate school—are provided opportunities to become junior colleagues of competent investigators, with the senior scientist serving as consul-

tant and guide. During the academic year or summer vacation, the students perform all aspects of independent research in their field of scientific interest. Small stipends are provided for the students and modest cost-of-program allowances to the institutions for defraying actual costs incurred.

"These programs are designed to help ease the transition from undergraduate to graduate study by providing opportunities for independent study and research participation at the undergraduate level, hence they are concentrated in the 4-year colleges and universities."

Course content improvement programs: "The National Science Foundation's course content improvement program is designed to help bring scholarship of the highest order to the development of courses and instructional materials, including apparatus and equipment, that reflect contemporary scientific knowledge and points of view. The program is concerned with the substance of courses in science and mathematics in elementary and secondary schools and in mathematics, science, and engineering in colleges and universities. It thus complements the wide variety of educational programs of the National Science Foundation designed to assist students to pursue scientific studies and to enable scientists and science teachers to keep pace with the progress of research.

"One subprogram in the course content improvement area is the science teaching equipment development program (previously called the new laboratory equipment program). Its purpose is to provide assistance to mathematicians, scientists, and engineers in the development of prototypes of modern instructional equipment suitable for widespread use in schools and colleges. Support is limited to design and development of new equipment. Preliminary versions may be tested in selected schools, but the final products are expected to make their way on their own merits. Full information about these projects will be made readily available to appropriate segments of the scientific and educational communities, but grant funds may not be used for promotional purposes."

Faculty members from 2-year institutions may participate in this program.

Public Health Service, Department of Health, Education, and Welfare

Division of Nursing

Construction grants and projects grants for nursing schools: Assistance is provided for construction and equipment of facilities and curriculum strengthening and development. Any 2-year program leading to an associate degree in nursing which is accredited or has a reasonable chance of being accredited is eligible. "Grants for construction and equipment may equal up to 66 2/3 percent of the cost of the new schools or

major expansion of existing schools; for other expansion and for renovation and improvement of existing facilities, the maximum share is 50 percent. Project grants for curriculum strengthening and improvement are awarded on the basis of individual school applications; there are no specific matching requirements for these grants."

Division of Community Health Services

Nursing student loan program: Any 2-year program leading to an associate degree in nursing which is accredited or has a reasonable assurance of being accredited is eligible to participate in the student loan program. Federal contribution to loan funds may equal up to 90 percent of the total made available.

Division of Radiological Health

Radiological health technician training program: Grants are made to schools for equipment, supplies, faculty salaries, and student stipends. Public and private junior colleges, technical institutes, and 2-year university branches are eligible. "The amount of aid provided depends on the budget submitted by the school and approved by the Committee on Radiation Health Training Grants. Not all schools provide aid for students; if they do provide such aid, the amount may not exceed \$500 per student throughout the period of his training."

Department of State

Bureau of Educational and Cultural Affairs
Educational and cultural exchange programs

Affiliation with foreign educational institution: "The Department of State sponsors a program under which funds are provided to U.S. colleges and universities to exchange informational and educational materials with foreign institutions. These modest grants benefit the U.S. institution by enabling it to obtain materials from abroad and to develop other fruitful relations with the foreign institution."

Training of staff, curriculum strengthening and development: This program makes grants to U.S. faculty providing funds for travel and maintenance. "Under this program, American professors lecture at foreign institutions and/or conduct research overseas. The program benefits U.S. institutions by enhancing the professional competence of the participants and by improving the content and broadening the scope of their courses."

Training of staff: "Department grants are available to U.S. teachers for attendance at seminars in their specialized fields in France, Germany, Italy, India, and several Latin American countries during the summer months."

Grants to foreign scholars: "Under this program, foreign scholars receive funds to travel to the United States in order to take

up posts, usually for 1 academic year, as lecturers at U.S. institutions. One of the benefits accruing to the host institution is the strengthening of language and area study programs."

Grants to foreign students: "Under this program, foreign students receive grants to travel to the United States and, occasionally, supplemental funds for tuition and maintenance. Grants are made for 1 academic year but are frequently extended for a limited period. In addition to benefiting the foreign students themselves, the program exposes faculty and students of the host institutions to the thought and culture of other lands."

Educational exchange projects: Grants-in-aid to U.S. institutions are made to support special projects such as an exchange of professors and students with a foreign institution or a seminar for student leaders from a foreign country.³

Services to foreign visitors: "The Department of State contracts with private agencies for the administration of several of its programs. These agencies in turn subcontract with colleges and universities for certain services, including orientation programs for foreign students and professors, English language institutes for foreign students, and terminal conferences for foreign scholars."

Research: "The Department of State occasionally contracts with educational institutions for research studies of various aspects of its programs."

Programs for foreign visitors: "The Department of State occasionally contracts with educational institutions to conduct specialized training programs for foreign visitors in such fields as journalism and television."

Vocational Rehabilitation Administration,
Department of Health, Education, and Welfare

Division of Training

Aid to students, curriculum strengthening and development: "The program is for the training of occupational therapy assistants to meet the growing need for personnel at the technician level. Training at this level can be completed in 2 years as contrasted with the 4-year degree program for fully qualified occupational therapists."

PART II. PROGRAMS REPORTED BY FEDERAL AGENCIES WHICH ALLOW FUNDS OR OTHER SUPPORT FOR THE 2-YEAR INSTITUTION

The chart below is compiled directly from the questionnaires completed by the Federal agencies. Many agencies indicated that they do not keep records which show the number of schools of a particular type which have participated in their programs nor do they have expenditures broken down in this way.

³ "No 2-year colleges as yet have participated in this type of activity."

Agency	Name of program	Assistance		Authority	Type of 2-year institution eligible	Number of 2-year institutions currently participating	Expenditures related to the 2-year school
		Type	Use				
Agency for International Development.	Technical cooperation program (participant training).	Grants to foreign students; contracts for overseas development projects.	In connection with development projects in undeveloped countries grants are made for foreign students for training. Contracts are made for services of institutions to develop overseas projects.	Act for International Development of 1961.	Public and private junior colleges and technical.	Not available...	Not available.

Agency	Name of program	Assistance		Authority	Type of 2-year institution eligible	Number of 2-year institutions currently participating	Expenditures related to the 2-year school
		Type	Use				
Atomic Energy Commission.	Faculty training.	Contract.	Training of faculty via institutes for high school and college science teachers in the various areas of nuclear science. (Institutes supported jointly with NSF.)	Atomic Energy Act of 1954, sec. 31B.	Personnel from public and private junior colleges, technical institutes, and 2-year university branches.	Not applicable.	Not applicable.
	Nuclear equipment grants.	Grants.	Purchase of nuclear instruments for student laboratories.	do	Public and private 2-year institutions are eligible but most grants are for advanced undergraduate and graduate level training.	Not available.	Not available.
Department of Defense: Army.	Civil schools program.	Tuition and expenses.	Training for enlisted personnel not available in military facilities. (Used mainly for ADPS and electronics.)	AR 350-260.	Public junior colleges and private technical institutes (have participated).	2.	1959, \$25,000; 1960, \$75,000; 1961, \$25,000; 1962, \$16,000 (estimates); 1963, \$15,832; 1964, \$24,570.
	General educational development of military personnel (off-duty education).	Tuition assistance to students.	Tuition assistance up to 75 percent per credit hour for off-duty schooling.	Annual DOD Appropriations Act and AR 621-5.	Public and private junior colleges and technical institutes.	20 (approximately).	1959, \$40,000; 1960, \$43,000; 1961, \$47,000; 1962, \$46,000; 1963, \$71,000; 1964, \$76,000.
Navy.	Off-duty education.	Tuition and assistance	To assist naval personnel in obtaining higher education through off-duty study at accredited institutions of higher education.	Annual DOD Appropriations Act.	Public and private junior colleges and 2-year university branches.	33.	\$48,394.14 (fiscal year 1964).
Marine Corps.	do.	Tuition assistance and instructor hire.	To assist Marine Corps personnel in obtaining higher education through off-duty study at accredited institutions.	do	Public and private junior colleges, technical institutes and, 2-year university branches.	46.	\$9,391.13 (fiscal year 1964).
Office of Economic Opportunity.	Community action program.	Grant contract, technical.	Program for remedial education school social work services, extracurricular tutoring, and work-study programs.	Public Law 88-452.	do	New program.	
	Work-study program (administered by HEW).	Student aid.	Work-study programs for part-time employment of college and university students from low-income families.	do	do	do	
Office of Education.	Higher education facilities.	Matching grants and loans.	Construction of higher education facilities.	Public Law 88-204.	do	do	Not available. (\$50,600,000 is earmarked for grants to public community colleges and technical institutes.)
	National defense student loan program.	Loans.	Student assistance.	National Defense Education Act, title II.	do	Not available (total number of institutions is 1,590).	Not available. (Fiscal year 1964 total for all institutions is \$108,456,042.)
	Equipment and minor remodeling.	Grant (through State agency).	Acquisition and minor remodeling of equipment to strengthen instruction in science, mathematics, history, civics, geography, modern foreign language, English, or reading.	National Defense Education Act, title III (sec. 103(h); secs. 301-304).	Public junior colleges. ²	Not available.	Not available.
	Guidance and counseling.	do	Guidance and counseling.	National Defense Education Act, title V-A.	Public junior colleges, technical institutes, and 2-year university branches (if located in a community different from parent institution).	New program (for 2-year institutions).	
	Testing.	do	Testing to identify students with outstanding aptitude and ability.	National Defense Education Act, title V-B.	Public and private junior colleges, technical institutes, and 2-year university branches (if located in a community different from parent institution). ³	do	
	Cooperative research and new educational media research.	Contracts and grants.	Research surveys and demonstrations in the field of education.	Public Law 83-531 and National Defense Education Act, title VII.	Public and private junior colleges, technical institutes, and 2-year university branches.	None for fiscal year 1965.	Fiscal year 1962, \$2,845; fiscal year 1963, \$16,503; fiscal year 1964, \$47,714.
	Educational television facilities program.	Grants.	Construction of non-commercial TV broadcast stations on frequencies reserved by FCC for education.	Public Law 87-447.	do	1 junior college; 1 technical institution.	Not available. (\$21,000,000 was appropriated for total program for fiscal year 1965.)

Footnotes at end of table.

Agency	Name of program	Assistance		Authority	Type of 2-year institution eligible	Number of 2-year institutions currently participating	Expenditures related to the 2-year school
		Type	Use				
Office of Education—Continued	School assistance in federally affected areas.	Grants—Con.....	Construction of school facilities and current operating expenses.	Public Law 815 and Public Law 874.	Public 2-year institutions which are part of a State's public school system.	35.....	Fiscal year 1963, \$852,618; fiscal year 1964, \$1,036,347.
	U.S. loan program for Cuban students.	Loans.....	Aid to Cuban students for higher education.	Public Law 87-519.	Public and private junior colleges and 2-year branches.	Not available...	Not available. (Total for all institutions; fiscal year 1961, \$265,000; fiscal year 1962, \$955,772; fiscal year 1963, \$1,380,500; fiscal year 1964, \$1,881,465.)
	Vocational and technical education.	Grants (through State agency).	Salary and travel of teachers, instructional equipment, research, administrative costs, curriculum strengthening.	Smith-Hughes Act, George-Barden Act, Health Amendments of 1956 (Public Law 911), title VIII of National Defense Education Act, Public Law 88-210, pt. A.	Public junior colleges, technical institutes, and 2-year university branches.	...do.....	
	Manpower training and development.	Grant.....	Occupational training and retraining for useful employment.	Manpower Development and Training Act.	Public and private junior colleges, technical institutes, and 2-year university branches.	...do.....	Not available. (Total for all schools receiving funds, fiscal year 1964, \$79,424,347.)
Housing and Home Finance Agency.	College housing program.	Loan.....	Housing of students, faculty, interns, and student nurses, includes dormitories, apartments, or single dwellings and related service facilities such as dining halls, cafeterias, infirmaries, and college unions.	Housing Acts of 1950 and 1957.	Public and private junior colleges and 2-year university branches.	38 ⁴	Fiscal year 1959, \$2,286,000 ⁴ ; fiscal year 1960, \$3,312,000; fiscal year 1961, \$9,512,000; fiscal year 1962, \$7,884,000; fiscal year 1963, \$10,159,000; fiscal year 1964, \$20,808,000.
Department of the Interior: Bureau of Indian Affairs.	Indian education.	Grants to individuals.	Aid for higher education to individual members of Indian tribes or groups for whom the Federal Government has trust responsibility.	25 U.S.C. 13.....	Public and private junior colleges, technical institutes, and 2-year university branches.	Not available...	Not available.
Bureau of Commercial Fisheries.	Shellfish mortality program.	Contract.....	Research study	Fish and Wildlife Act of 1956 (70 Stat. 1121, as amended).	...do.....	1.....	Fiscal year 1964, \$10,385. (None in years 1960-63.)
National Science Foundation.	Institutional science programs (instructional equipment for undergraduate instruction).	Grant.....	To assist in the purchase of equipment required to improve undergraduate education in science and engineering areas.	Public Law 507, 81st Cong., as amended.	...do.....	36.....	Fiscal year 1964, \$144,070.
	Basic research project.	Grants (contracts in unusual instances).	Scientific research and closely related projects.	...do.....	Proposals emanate primarily from universities and liberal arts colleges with strong scientific research programs. Only sporadically have 2-year institutions received assistance from these programs.	Not available...	Not available.
	Institutes for science and mathematics teachers.	Grants (to institution sponsoring institutes).	Training of staff	...do.....	2-year institutions have not been recipients of grants to sponsor institutes but personnel from such schools attend institutes.	Not applicable ⁶ ...	Not applicable.
	Fellowships and traineeships.	Grants.....	Training of graduate students and post-doctoral staff.	...do.....	Because it is a graduate program no funds have gone to 2-year institutions however, personnel from such schools have been recipients of awards.	...do ⁷	Do.
	Research participation and scientific activities for teachers.	...do.....	Training of staff through research experience during the summer with possible academic year extension in which "home institution" receives grant.	...do.....	Public and private junior colleges, technical institutes, and 2-year university branches.	15 (approximately). ⁸	Fiscal year 1963, \$20,000; fiscal year 1964, \$30,000.
	Research training for undergraduate students.	...do.....	Aid to students through opportunities to become junior colleagues to competent investigators.	...do.....	These programs are designed to help ease the transition from undergraduate to graduate school and are concentrated in the 4-year colleges and universities.	Not available...	Not available.

Footnotes at end of table.

Agency	Name of program	Assistance		Authority	Type of 2-year institution eligible	Number of 2-year institutions currently participating	Expenditures related to the 2-year school
		Type	Use				
National Science Foundation—Con.	Course content improvement.	Grants—Con.	Support is provided for the research and development work on improved up-to-date course materials for school and college programs in mathematics, science, and engineering. A subprogram provides assistance to mathematicians, scientists, and engineers in the development of prototypes of modern instructional equipment suitable for widespread use in schools and colleges.	Public Law—Con.	Personnel from 2-year institutions may participate in program.	Not applicable.	Not applicable.
Public Health Service: Division of Nursing.	Construction grants and project grants.	Grants-----	For construction and equipment and for projects for curriculum strengthening and improvement.	Public Law 88-581.	Any 2-year school leading to an associate degree in nursing which is accredited (or has reasonable assurance of being accredited).	New program---	
Division of Community Health Services	Nursing student loan program.	Loan-----	Loans to nursing students.	do-----	do-----	do-----	
Service—Cont. Division of Radiological Health.	Radiological health technician training program.	Grants-----	For equipment, supplies, faculty salaries, and student stipends.	Public Law 86-703.	Public and private junior colleges, technical institutes, and 2-year university branches.	7-----	Fiscal year 1964, \$300,000.
Department of State (Bureau of Educational and Cultural Affairs).	Educational and cultural exchange program.	Grant-in-aid agreement.	Affiliation with foreign educational institution. (Funds provided to U.S. colleges and universities to exchange informational and educational materials with foreign institutions.)	Public Law 87-256 (Fulbright-Hays Act).	do-----	1-----	Fiscal year 1964, \$500.
	do-----	Grants to U.S. faculty providing funds for travel and maintenance.	Training of staff, curriculum strengthening and development. (Under this program American professors lecture at foreign universities and/or conduct research overseas.)	do-----	do-----	Not available---	Not available.
	do-----	Grants to faculty members.	Training of staff. Department grants available to U.S. teachers for attendance at seminars in their specialized fields in France, Germany, Italy, India, and several Latin American countries during the summer months.	do-----	do-----	do-----	Do.
	do-----	Grants to foreign scholars.	Curriculum strengthening and development. Foreign scholars receive funds to travel in the United States in order to take in posts, usually for 1 academic year, as lecturers at U.S. institutions. Benefits accrue to host institutions in strengthening of language and area study programs.	do-----	do-----	do-----	Do.
	do-----	Grants to foreign students.	Enables foreign students to attend U.S. colleges. Funds for travel and occasionally supplemental funds for tuition and maintenance. (Benefits host institution by exposing them to thought and culture of other lands.)	do-----	do-----	do-----	Do.

Footnotes at end of table.

Agency	Name of program	Assistance		Authority	Type of 2-year institution eligible	Number of 2-year institutions currently participating	Expenditures related to the 2-year school
		Type	Use				
Department of State—Con.	Education and Cultural—Con.	Grants-in-aid to U.S. institutions.	Educational exchange projects. Funds to support special projects such as an exchange of professors and students with a foreign institution or a seminar for student leaders from a foreign country.	Public Law—Con.	Public and private junior colleges—Con.	None (no 2-year institutions as yet have participated).	Not available—Con.
	do	Subcontract with agency under contract to Department of State.	Services to foreign visitors. Colleges and universities often subcontracted for certain services, such as English institutes for foreign students.	do	do	do	
	do	Contract	Research. Department of State occasionally contracts educational institutions for research studies of various aspects of its program.	do	do	do	
	do	do	Programs for foreign visitors (specialized training programs for foreign visitors in such fields as journalism and television).	do	do	do	
	Training program.	Grants	Aid to students and curriculum strengthening and development. For training of occupational therapy assistants to meet need for personnel at the technical level.	Vocational Rehabilitation Act of 1954, Public Law 565, 83d Cong.	Public and private junior colleges.	1	Fiscal year 1964, \$4,950.

¹ Figures are based on an estimate of 6 percent of total tuition assistance funds in continental United States.

² Only if determined under State law to be an upward extension of secondary schools.

³ If the State agency is not authorized by State law to make payments in other than public schools, ½ the cost of testing may be paid by the U.S. Commissioner of Education under contract with the testing agency; the other half is paid by the school.

⁴ Represents those 2-year institutions with approved projects not yet completed.

⁵ Represents dollar totals for projects approved for 2-year colleges during each fiscal year.

⁶ Numbers of junior college and technical institute personnel participants: 1959, 715; 1960, 710; 1961, 840; 1962, 880; 1963, 980; 1964, 1,085.

⁷ Numbers of junior college and technical institute personnel participants: 1959, 15; 1960, 16; 1961, 14; 1962, 13; 1963, 22; 1964, 1.

⁸ Figure represents the number of such schools receiving extension grants. In addition, the following number of junior college and technical personnel have participated in these programs: 1959, 115; 1960, 195; 1961, 265; 1962, 225; 1963, 115; 1964, 185.

Mr. DENT. Mr. Chairman, I move to strike the requisite number of words.

(Mr. DENT asked and was given permission to revise and extend his remarks.)

Mr. DENT. Mr. Chairman, the gentleman from Michigan did say whether that you call it opportunity grants or scholarships, they all add up to the same thing.

For some 20 years of my life I served in a governmental position where I had the opportunity to give without any restrictions whatsoever up to 24 scholarships a year to students in my own district. I learned during those 20-odd years that scholarships granted by a person at his own discretion can be a blessing or can be somewhat of a curse. To a person of good conscience who has to make a decision between two or more deserving students, it can be a very heart-rending thing, and one that causes no small amount of anxiety. To the scoundrel who would use them to promote his own personal interests, they are, of course, just that.

I find a very serious fault with this section of the act. The gentlewoman from Oregon and all the other members of the committee know how I feel about it. When we establish criteria in which you set up a grant out of the Federal funds, it is my humble opinion that all of those who qualify under this criteria should receive the same treatment.

When you give discretionary power to the head of the school to pick out 1 out of 10 to give only that one a grant of \$500 and have 9 others who have to borrow the money, although they are all equal when it comes to meeting the criteria on need, then I say we are doing something wrong in this particular section.

If we will put in it money enough, or lower or raise the criteria or change the criteria so that we have enough for all who meet the certain criteria, I accept the proposition, but I cannot stand up here and vote for this particular feature in the act and go home and have two or three students whose parents work in the coal mines or mills, and have their children, one of each family or two of each family, who want to go to a college. One goes to a college that can give a scholarship because they have not the demand for the number of scholarships. Another one does not receive it by going to another school. Now, you answer the parents of the latter. You tell them why we in the Government of the United States made it possible for Mrs. Brown's boy to get a scholarship, while Mrs. Smith's boy has to borrow the money although both are in the same economic status.

If they are all poor, it means they all need the aid. It means they all qualify for it. For us to say that we are helping the one but that the other nine who are in the same condition have to borrow

the money is wrong. I am in favor of making it easier for them and I am for educational opportunity grants on an equitable basis. I am in favor of scholarships but I am only in favor of them if they are given out equally to all those who qualify.

I shall, of course, support the bill as I have for over 30 years of legislative service.

I do not agree with this section, but the good outweighs the bad.

I believe in education for all, not for a favored few.

Mr. POWELL. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment, and all amendments thereto, close in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. COLLIER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. COLLIER. If the time is going to be limited, will one who has already spoken on this amendment be allotted any time?

The CHAIRMAN. If the Member stands up, he will be included among those who will be recognized.

Mr. COLLIER. Notwithstanding the fact that a Member may already have spoken on this amendment?

The CHAIRMAN. That is correct.

Mr. COLLIER. Then, Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. POWELL. Mr. Chairman, I move that all debate on the pending amendment, and all amendments thereto, close in 25 minutes.

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. COLLIER].

(Mr. COLLIER asked and was given permission to revise and extend his remarks.)

Mr. COLLIER. Mr. Chairman, I rise in wholehearted support of the pending amendment. Looking ahead a few years, it becomes more and more evident that the greatest need in the field of higher education today is the public junior college. State universities that once welcomed out-of-state students can no longer do so because most of them are overcrowded. Tuition fees are becoming higher, as we all know, and the scholastic requirements for entrance are becoming more demanding. College away from home costs continue to rise while enrolling becomes more and more difficult.

If ever there was an answer to the problem of the closing college doors in this country, it certainly is in the area of junior colleges. Today we have but 700 in the country, and within the next 10 years we are going to need a minimum of 1,500.

Two years of junior college, which is not available to many students, would save the average family approximately \$3,200. It seems that rather than emphasize scholarships, we can do a better job for a much greater number of students by providing funds for the construction of more and more junior colleges.

I wonder at this time if I might ask this question, and I direct this question to any member on the committee; is it possible under the provisions of this bill that scholarship funds be granted to any student who does not meet the standard entrance requirements of a particular institution?

Mrs. GREEN of Oregon. Mr. Chairman, will the gentleman yield?

Mr. COLLIER. I am delighted to yield to the gentlewoman.

Mrs. GREEN of Oregon. The bill specifically says that 25 percent of the National Defense Education Act loan funds may be used for opportunity grants by the university or college if they so wish. No student could possibly qualify for this opportunity grant unless he had been enrolled in the college, unless he had been accepted. In other words, he would have to be exceptionally needy and he would have to be accepted by the college, and he would have to show great promise.

Mr. COLLIER. Would he or she have to meet the entrance requirements of the college and not merely be "highly motivated," as has been suggested in policy statements of certain universities recently?

Mrs. GREEN of Oregon. Yes.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. JONAS].

Mr. JONAS. Mr. Chairman, as I said earlier in the debate, I want to vote for this bill. There are many provisions in the bill which I fully support.

The one on which we had a discussion and a vote recently was not one of those I can support. I regret that the amendment of the gentleman from Michigan was rejected. This puts me in considerable trouble in determining how I should vote on final passage.

If this amendment is adopted it will help me considerably in deciding that question. I believe it might help a number of other Members make a similar decision.

If we approve this scholarship program we will be embarking on a new program which will be never ending.

In 1958, the administration proposed a scholarship program. It was rejected by this body, and we went to a loan program instead.

There may be some questions in the minds of some Members as to whether the Congress has the right to provide money from the public treasury to be loaned to individuals. But the question of whether Congress has the right to do that fades into insignificance when compared with the right of Congress to make a grant or to provide a scholarship.

I would most respectfully point out to the members of the Committee today that the gentleman from Indiana said that the passage of this will enable 130,000—I believe the figure was—to go to college. The trouble with that argument is that if we turn to loans instead of grants we can help 130,000 every year. Under this plan we can only help 130,000 for 1 year. Would it not be better to have a loan program, which could turn over and over through the future and help 130,000 youngsters each year, instead of a grant or scholarship program which will only help one group of 130,000 for 1 year?

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. SKUBITZ].

(Mr. SKUBITZ asked and was given permission to revise and extend his remarks.)

Mr. SKUBITZ. Mr. Chairman, I rise in support of this amendment. If I had my "druthers," I would do away with scholarships and provide a loan system whereby any worthy student in need could secure a loan sufficient to meet his minimum needs. What justice is there in a program that gives one boy an outright grant—a free ride—and yet says to 10 others equally qualified and just as much in need, "So sorry, but we cannot help you."?

I want to help those who want to help themselves. In my opinion, we do a student an injustice by making outright gifts. If we are to extend a helping hand, let us make it possible for our boys and girls to retain their self-respect—their pride. Let us develop in our youth a feeling of responsibility. In life, there are no handouts except on welfare.

I want to support this bill. I hope this amendment is adopted.

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky [Mr. PERKINS].

Mr. PERKINS. Mr. Chairman, I rise in opposition to the amendment.

I personally feel that this is a well-balanced bill. The amendment of the gentleman from Michigan would put the damper on needy, qualified youngsters seeking to go to college.

All the surveys that I know anything about disclose that approximately 40 percent of qualified youngsters who fail to go on to college do not because of financial reasons. The increased costs of obtaining a college education makes it impossible for hundreds of qualified youngsters to enter college from low-income families in the district I represent. These youngsters should be permitted to make their contribution to society—they well deserve these educational opportunity grants. This grant program will run hand in glove with the other student aid program such as the National Defense Education Act and the work study. All of these programs are essential. I cannot see how this committee can afford not to turn down the gentleman's amendment, especially when we are spending so much money for other training programs that cost so much more for every individual trained than the educational opportunities grants here proposed.

Unless this amendment is defeated we certainly will be turning our backs on thousands and thousands of the most needy, qualified youngsters in this country who need to go to college.

I hope that the amendment of the gentleman from Michigan will be voted down. If the gentleman is so concerned about the construction of classrooms he should propose to add the \$74 million in addition to the assistance already provided in the bill for the construction of college facilities. He should not try to destroy a well-balanced bill by an amendment which would cripple the student aid program to an extent that hundreds of thousands of youngsters qualified and in the greatest need would never be permitted to go to college.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. JONES].

(Mr. JONES of Missouri asked and was given permission to revise and extend his remarks.)

Mr. JONES of Missouri. Mr. Chairman, I have never been able to subscribe to the philosophy that the world owes any man a living. I do subscribe to the philosophy that the world owes him an opportunity to get it. I think that this bill should offer the opportunity to these needy students through a loan program. In my opinion, any student who really wants an education and has the desire to obtain it and who is capable of making the best use of that education would welcome the opportunity to have a loan made to permit him to go to college and then allow him to pay that money back.

As the gentleman from North Carolina [Mr. JONAS] so ably said, in that way we can help more students and give them the same opportunity but with the expenditure of less Federal funds. I would like to support a bill that would do that. I am not going to support a bill that will continually dig down into the Federal Treasury to give out money which will

never be repaid. I will support the other kind of bill.

I think the gentleman from Pennsylvania [Mr. DENT] brought out a good point here. I do not agree with Mr. PERKINS' statement, because I think he is overlooking the fact that the best students want the opportunity. They do not want money, but they do want the opportunity.

I think another thing is the amendment would contribute to the expansion of our junior colleges. I have advocated this for years. I think our State universities today would be much better off if they would eliminate the freshman and sophomore years in the universities and let the students get their education in the smaller colleges. It would relieve congestion in the State universities and make education available closer to the home of the student who wants to get it. I believe this committee should give some attention to that.

For that reason I believe this amendment should be adopted. It will add materially to the bill and, incidentally, it will get some more votes for the bill.

The CHAIRMAN. The Chair recognizes the gentleman from Florida [Mr. GIBBONS].

(Mr. GIBBONS asked and was given permission to revise and extend his remarks.)

Mr. GIBBONS. Mr. Chairman, I rise in opposition to this amendment.

Mr. Chairman, there is plenty of money in this bill for the junior colleges. The Committee on Education and Labor and particularly the subcommittee was very interested in the junior college program. We put plenty of money in there. The gentleman from Michigan's [Mr. GRIFFIN] amendment is just, of course, another attempt to get votes, as the gentleman from Missouri [Mr. JONES] said here, by putting some more money in the junior college program. However, the Committee on Education and Labor has already put that money in and there is no need to bite that piece of false bait. A good case has already been made for putting money in here for needy students, but I think a stronger and overriding case can be made that America needs the brains of these needy students. These students are not getting the training to prepare them for the needs of America in order to run its great industrial enterprises. America is trying to spread freedom and equality throughout the world. That is the issue which we face here today. It is not a question of doing something for somebody just because they deserve it, but we are doing it in the national interest and for a national purpose. These needy students have brains, but they have not gotten the training that they need and which America needs in order to improve its arsenal of weapons to fight our war against poverty and our war against oppression and against the forces who would overcome us. So it is on that note that I urge you to vote against this amendment.

Mr. DANIELS. Mr. Chairman, I am proud to rise in support of H.R. 9567, the Higher Education Act of 1965.

As a member of the House Committee on Education and Labor, I am fully

aware of the tremendous pressures under which our institutions of higher learning operate.

Since World War II the number of institutions of higher learning in the United States has increased from 866 to about 2,300. Parallel with the establishment of these new institutions has been an equally impressive growth in the number of students who are attending the older institutions.

It seems apparent to me that with this tremendous quantitative growth that there is a serious danger of a qualitative decrease in educational standards. You cannot pack students into every single nook and cranny on a campus without a serious weakening of the value of the education which the student is receiving.

I have seen and heard of too many instances where college students, because of the shortage of trained professors, are being taught by inexperienced graduate students who are not as professionally competent as the teachers in our high schools. With this crowding come instances where students never really meet with faculty members and the professor is a remote figure who lectures three times a week to several hundred students packed in a crowded lecture hall.

I am alarmed at the fact that many colleges and universities have not been able to provide the companion features which are important parts of higher education. For example, I feel firmly that a college or a university which does not provide adequate library facilities for every student is guilty of neglecting one of the most important parts of education.

I would like to point out, Mr. Chairman, that I do not make these comments merely to criticize college administrators. I have the highest respect for these dedicated men and women, but I would like to point out that in all too many instances the college administrator faces a task which is all but insurmountable.

Mr. Chairman, this is a good bill. It will not solve all our problems in this area but it will solve many of them. It will enable universities and colleges to provide badly needed library facilities. It will aid colleges in providing adult education courses. It will also provide funds for small colleges to enable these institutions to raise academic standards.

I have consistently supported all measures which will help the student of limited financial means to obtain an education. And for this reason, I am very enthusiastic about this bill. Through its program for providing student assistance this bill will aid many thousands of students of humble means to gain a quality education.

Mr. Chairman, I strongly urge passage of this H.R. 9567.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. DOW].

(Mr. DOW asked and was given permission to revise and extend his remarks.)

Mr. DOW. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Michigan. I think that his amendment is intended to switch some millions of dollars from scholarship funds to construction funds. In

doing this I believe he has overlooked the fundamentals of education.

I think, perhaps, in all of the technical discussion on this bill these fundamentals are being overlooked a little bit, and the fundamentals of education consist of pupils and teachers.

There is an old American adage or an old phrase in the history books that says—"What is the definition of education?" And the answer is, "Education is a boy sitting on one end of the log and Horace Mann sitting on the other end."

Horace Mann was a great educator. I am not sure if the quotation really refers to Horace Mann. I did not have my quotation book with me, but they did name some celebrated educator.

So with that I think we should take note that the funds provided for scholarships in this bill come into the hands of the pupil and into the hands of the teachers, and the pupils and the teachers are the fundamentals of education, not construction, not buildings, not these big mausoleums of brick and glass that we see going up all over the country and which many of us seriously disapprove.

For this reason, Mr. Chairman, I rise in support of the bill as it is and in opposition to the amendment offered by the gentleman from Michigan.

The CHAIRMAN. The Chair recognizes the gentleman from Indiana [Mr. BRADEMAS].

Mr. BRADEMAS. Mr. Chairman, I ask unanimous consent to yield my time to the gentlelady from Oregon [Mrs. GREEN].

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. GRIFFIN].

Mr. GRIFFIN. Mr. Chairman, there has been some discussion about the actual need to add \$74 million to the funds now available for construction of junior colleges. It appears that some on the other side who oppose this amendment might have left the impression that this money is not needed at all; that the committee has taken care of all the construction requirements of the junior colleges. I am sure the opponents do not want to leave such an impression.

Let us look at the situation as it is now. Under the existing Higher Education Construction Facilities Act, \$230 million is authorized for the construction of higher education facilities. Under the present law, 22 percent of that amount is allocated for the construction of junior college facilities—22 percent of \$230 million is about \$50 million. But there are 50 States among which to divide that \$50 million; so it is not difficult to guess about how much is available to each State under the present law at the present time to help to construct junior college facilities.

In my State of Michigan, as I indicated earlier, only three junior colleges in Michigan received any benefit under this act during the last fiscal year. There are dozens of other junior colleges and communities which want to establish junior colleges that are stand-

ing in line and waiting for construction assistance.

To be sure the \$230 million now authorized would be doubled under the provisions of the bill as reported by the committee. The funds are doubled to \$460 million; and, of course, 22 percent would be allocated for junior college construction. That means there will be about \$100 million authorized for junior college construction in the next fiscal year. But a million dollars does not go very far in the construction of college facilities, and there are 50 States to participate. The increase in authorization provided by the committee bill might help six junior colleges in my State, rather than three, but it could hardly be contended that the committee bill meets the needs of the junior colleges.

I disagree with the gentleman from Indiana [Mr. BRADEMAS] when he says there is no choice to be made. We have to choose when we are required to establish priorities and to allocate available funds.

My amendment focuses upon \$74 million in this bill which would be authorized for scholarships. I am convinced that the Nation would be better off if that \$74 million were used to help construct facilities for the thousands of young people who want to go to college but find they cannot go because there are not enough classrooms available.

The CHAIRMAN. The Chair recognizes the gentlewoman from Oregon [Mrs. GREEN].

(Mrs. GREEN of Oregon asked and was given permission to revise and extend her remarks.)

Mrs. GREEN of Oregon. Mr. Chairman, the rationale of this argument has always escaped me. I do not believe there would be a single person in this House who would argue against free education up to the 12th grade. Then in the 17th grade, when a person is doing his graduate work, the Federal Government and this Congress as a matter of national policy have been very generous in supplying graduate fellowships. There are now well over 60,000 fellowships and traineeships at the graduate level. Each fellowship grant represents five times as much as we are suggesting for the opportunity grant at the undergraduate level. Why are we unwilling to give any grant from the 13th year to the 17th year?

Mr. Chairman, someone said that scholarships are unfair because the child of Mr. Jones gets to go to college and the child of Mrs. Brown does not go. That is not the question. The question is whether 100,000 young Americans, who are able students, who are high school graduates, and who have IQs of 120 and above and who are not going to college, will have the opportunity to go to college. This is what we are talking about. I am talking about the students who are exceptionally needy, and who come from families that are unable to give very much if any financial assistance.

Mr. Chairman, some of my colleagues on the floor of this House have told me that even with the salary that we receive in the Congress, that if you have three or four children, of college age at the same time, they cannot afford to send them.

Mr. Chairman, what about the family that has an income of only \$3,000 and has two or three children? What happens when they want to send their children to college?

Mr. Chairman, this program is designed to provide the opportunity—the opportunity, I repeat, for very, very needy and promising students to attend college.

Mr. Chairman, also the logic of some of the arguments today absolutely escape me. This Congress supports the Manpower Development and Retraining Act. If a boy graduates from high school with good grades—yet is unemployed and has no employable skills, are you unwilling to give him a \$500 opportunity grant so he can go to college, but yet you will pay for him under the Manpower Development and Retraining Act \$1,100 or \$1,200 for training? This is being done today.

Mr. Chairman, the logic also escapes me when I think of the Job Corps training program. This Congress has put its stamp of approval on the Job Corps training program which involves a cost of \$6,000 or \$7,000 per child per year.

Are you going to say you will give \$1,000 or \$1,100 under the Manpower Development and Retraining Act and \$6,000 or \$7,000 to a Job Corps enrollee but you will not give \$500 in an educational opportunity grant to a high school graduate that has an IQ of 120 or above and comes from a family with a very low income?

Mr. Chairman, this is the issue. This is why this provision was placed in the bill. It is exactly what it says it is. It is not a scholarship. It is an opportunity grant for children of ability who we will need as professional people in our society.

Mr. LANDRUM. Mr. Chairman, will the gentlewoman yield?

Mrs. GREEN of Oregon. I yield to the gentleman from Georgia.

Mr. LANDRUM. Is there a requirement in this scholarship grant, so-called, that the child must also be able to borrow and also participate in a work program under this program?

Mrs. GREEN of Oregon. I am so glad that the gentleman from Georgia has asked that question. I am confident that our colleges will require potential recipients to borrow and obtain a loan. The college is not going to say, "You do not have to borrow and you do not have to work and we will just give you a full grant." That is not what is intended. These students will be borrowing and probably participating in a work-study program. Under this provision we are considering today we propose to give these responsible students a small opportunity grant if they otherwise could not attend college and if they show promise in academic or creative achievement.

Mr. LANDRUM. So it is, as the chairman has stated, he has to have borrowed all that he can borrow and have worked and earned all that he can under a work program, and it is only then that he can get this grant in order to cover the cost of his education?

Mrs. GREEN of Oregon. Under the program—under the law—the university or the colleges cannot give him an opportunity grant of more than one-half of

the assistance the college has given in any other way; that is, through loans or through other financial assistance. Let me state the work-study program is excluded in figuring the total amount of assistance. But in actual practice—I would be willing to bet that 99 percent of the students receiving opportunity grants will also be working in the summers and perhaps part-time in the academic year—either under the work-study program or independently.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Michigan.

The question was taken; and on a division (demanded by Mr. GRIFFIN) there were—ayes 58, noes 88.

So the amendments were rejected.

AMENDMENT OFFERED BY MR. SMITH OF IOWA

Mr. SMITH of Iowa. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Iowa: After line 23 on page 38, add a new subsection as follows:

"(D) Each year beginning with the second taxable year that a scholar who received an educational opportunity grant under this Act is no longer a full-time student of an accredited institution of higher education, the recipient shall pay to the Commissioner a sum equal to 5 per centum of his personal net taxable income, as defined or determined by section 63 of the 1954 Internal Revenue Code, as amended, from sources other than pay for military service. Said sums to be paid each year until the total of the sums received by the student without interest is repaid. The Commissioner shall issue such regulations as are reasonably necessary to assure receipt of necessary documents and information to secure such payments and such required documents and assurances shall be secured prior to payment of an individual loan. The recipient shall be given an alternative of repaying 20 per centum of such total sum each year beginning with the second calendar year in which he or she is no longer a full-time student of an accredited institution of higher education for a period of six or more months."

Mr. POWELL. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. The gentleman will state his point of order.

Mr. POWELL. Mr. Chairman, the amendment is not germane to the bill. It is an amendment which involves the Internal Revenue Bureau. It is a matter that the Committee on Ways and Means has jurisdiction of.

Mr. SMITH of Iowa. Mr. Chairman, this is the identical language of the bill, H.R. 1177, which has been kicking around for 5 years. That bill was referred to the Committee on Education and Labor. If it had been a ways and means matter, it would not have gone to the Committee on Education and Labor. This is the same amendment that was introduced here last year. It will be found in the CONGRESSIONAL RECORD of August 14, 1964, on page 19073. This has been before the committee before. It in no way amends Internal Revenue law.

The CHAIRMAN. Does the gentleman from New York [Mr. POWELL] desire to be heard further on the point of order?

Mr. POWELL. Mr. Chairman, I would like to add to what the distinguished

gentleman from Iowa has said that the bill the gentleman refers to was a bill on which we had an arrangement with the gentleman from Arkansas, chairman of the Committee on Ways and Means, that that bill come before our Committee on Education and Labor even though the Committee on Ways and Means had jurisdiction.

The CHAIRMAN (Mr. VANIK). The Chair is prepared to rule. It is the opinion of the Chair that the amendment submitted by the gentleman from Iowa establishes a formula for payback, and the Chair must overrule the point of order.

The gentleman from Iowa is recognized in support of his amendment.

Mr. SMITH of Iowa. Mr. Chairman, as I said before, this amendment has been advocated for about 5 years. It came before the subcommittee several times when I was a member of the subcommittee. It passed by a one-vote margin at one time and then on reconsideration, it was defeated by a one-vote margin. I think we will eventually come to this because there are pitfalls in the rigid National Defense Education Act repayment provisions. We must find a flexible way to provide for repayment.

This amendment avoids interference with existing programs to increase scholarships by donees. Many colleges have great programs—scholarship programs—going forward. There are wills in lawyers' safes to provide scholarships for students and industries are establishing scholarships. It will not interfere with or discourage those efforts in any way.

The amendment also avoids interference with the problem we would have of two or three scholarships being absorbed by people who could get the money otherwise in order to give one scholarship to a person who needs it. This is so because it would still be more advantageous to have gotten a private scholarship or gotten money from working or parents instead of securing a loan.

I think it is just this simple. Until all the money that is needed is available for loans and facilities, students securing Government funds should repay the money they received at least on an easy-payment plan. That is what this amendment provides, an interest-free, easy-payment plan where they only pay back when they have the income—that is all. I think that until we have some flexible repayment plan there will be defaults under loan programs.

We have in the bill a provision for a 6-percent loan. Think of that. In this bill they would sack some student with a 6-percent loan and at the same time some others receive it as a gift. The least we could do is to have easy repayment for more of the students. What justification is there for sacking one student with a 6-percent loan and making a gift to the other student who has the same need and qualifications.

There is not enough money in this and other legislation to provide all the students financial assistance needed but under this bill we would make some be socked with a 6-percent loan while others receive the money as a gift. I think the least we could do is to provide an easy

payment plan so there is more low interest or no interest money.

Under this bill, there will be students who go through college and receive a job in the juvenile court at a salary of \$4,000 a year trying to pay back a 6-percent loan; while there will also be students who are no more deserving who will graduate as engineers and secure a job at \$12,000 per year, but they will not have to pay the money back. I do not think we ought to have that kind of a situation and that until we have enough money for both of them to receive interest free or low interest loans, we ought to have an easy payment plan.

There are a lot of girls who really do not want to obligate themselves for future years. They do not know what years they will not be able to work. Under my amendment, when they are not able to work, they do not repay. That is the provision in this amendment. Some would be glad to repay after they have raised a family and are earning money with that college education. One of the main reasons National Defense Education Act repayments have not been better is that some women do not have an income for a few years. Also, a main reason for those statistics that the gentleman from Indiana had here to the effect that less girls are going to college than boys, is because young women hesitate to obligate themselves to a rigid repayment schedule for a loan to go to college. This makes National Defense Educational Act discriminatory against women. I think the committee and subcommittee handling this bill are responsible for tens of thousands of girls not going to college who should have gone to college because they have insisted upon keeping a rigid repayment plan on loans instead of having an easy repayment plan. They have also insisted upon making gifts instead of settling for an easy repayment plan under which more students could use this money.

I think when the average student who graduates from college is going to receive 17 percent more income it is not going to hurt them to give one-third of that additional income to repay this money so that some other student will have a chance to go to college. I believe experience would show that this approach should be used and expanded and that it would solve arguments that have plagued these bills for years.

Mr. Chairman, I urge the adoption of this amendment.

Mrs. GREEN of Oregon. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this amendment was considered by the committee 3 or 4 years ago. The subcommittee turned it down at that time. There were several reasons for that action:

First. It opened the income tax returns to new groups. This I seriously question as a matter of wise Government procedure.

Second. The administrative costs would be exceedingly burdensome to colleges and universities, and they are already very costly at the present time.

I am sure I do not qualify to speak as one of these "girl college students," but

the gentleman from Iowa has made reference to the fact that there would be girls who might borrow and who would find it difficult to repay.

I am sorry, but I refuse to accept that kind of discrimination. I believe that any woman who is attending college and who wants to earn a degree and who has borrowed money to go to college is just as much interested in meeting her obligations to repay a loan as any man is.

I believe that any study of loans in colleges and universities will show that this is true.

Therefore, for a combination of reasons: it was once turned down by the subcommittee; it would be extremely burdensome; and it would be rank discrimination against the weaker sex—I oppose the amendment.

Mr. GRIFFITH. Mr. Chairman, I rise in opposition to the amendment and move to strike the requisite number of words.

I wish to indicate my agreement with the argument made by the gentlewoman from Oregon [Mrs. GREEN].

To write into law a provision for repayment which is related to each individual's income would obviously put a tremendous burden on the college, and the officers of a college who are charged with responsibility of collecting the loan. In order to determine whether a borrower was in default, it would be necessary to investigate in each case into the borrower.

One of the problems we have with the National Defense Education Act loan program is the cost of processing and collecting these loans. There is a significant administrative burden placed on the colleges now as they seek to keep track of the borrowers who move from State to State after graduation. It would be asking a great deal if a college were also required to ascertain the income of each individual borrower each year in order to determine whether he was in default.

While I sympathize with the purpose of the gentleman from Iowa, I regret that I must oppose the amendment.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. GRIFFIN. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. I wish to say at the start, there is no administrative cost involved. All they would do is certify their income, and a percentage would be repaid.

So far as business is concerned, this is what happens when a man goes to the bank. A man does not go to the bank and say, "I want a loan, but I am not going to tell you how much money I make." It is the same as going to a bank.

Mr. GRIFFIN. As I understand the amendment, repayment would relate to the income of the individual each year. The individual could pay a certain percentage of his income each year. Obviously, his income would change.

Mr. SMITH of Iowa. Yes. At the end of the year the person would certify to the college how much his income was that year. Five percent of it would be repaid.

Mr. GRIFFIN. What if the borrower misrepresented his income, or what if there were some reason to believe that he misrepresented his income?

Mr. SMITH of Iowa. That would be an agreement just like one between him and a bank. He would agree with the bank to make certain information available.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield?

Mr. GRIFFIN. I yield to the gentleman from Missouri.

Mr. JONES of Missouri. Is this not another argument why these loans should be made by financial institutions which are set up to collect them? Then we will not have all of this trouble with colleges having extra work added on them.

I believe the amendment should be passed. We should move toward making these loans through banks and other financial institutions.

Mr. GRIFFIN. Mr. Chairman, I reiterate my opposition to the amendment.

Mr. POWELL. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 3 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. COLLIER].

Mr. COLLIER. Mr. Chairman, adding this 1 minute to the 2 minutes and 45 seconds I previously had, may I pursue the question I posed earlier with the hope of getting an answer.

Under this section of the bill, is it possible for a scholarship to be given to a student who in any participating institution fails to meet the established entrance requirements? That is all I would like to know.

Mrs. GREEN of Oregon. The answer is "no." The student must be accepted by the college. He or she must fully meet the requirements of the college and be admitted as a regularly enrolled student.

Mr. COLLIER. That is the very point involved. Two State-supported universities, as the gentlewoman is well aware, have indicated that they intend to establish programs wherein a given number of students will be enrolled and receive full financial aid even if those students do not meet the established entrance requirements. One happens to be a proposed policy announced some time ago by the Board of Trustees of the Chicago branch of the University of Illinois. The other, I believe, was the University of Oregon. The proposal would merely provide that the university decide that a given group of students whom they consider "highly motivated" and enroll them despite the fact that they are unable to meet the standards established for all other students.

I just wanted to find out whether merely because they were accepted and since it is obviously the intent of certain universities to accept students who do not meet the requirements and merely because someone determines they are

"highly motivated," that they will then get it. That is the question.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. KEITH].

(Mr. KEITH asked and was given permission to revise and extend his remarks.)

Mr. KEITH. Mr. Chairman, I rise in support of H.R. 9567, a bill which improves the prospects for more and better higher education in my own State and throughout the whole Nation. The problem today is how to advance the quality of our educational facilities at the same pace as the remarkable advances in quantity of applicants for college. Over 5 million students are now in our colleges and their numbers are growing constantly. The advancing technology of our age means that our economy will require a higher level of education for an even larger segment of our population. Colleges and universities across the Nation which are struggling to accommodate these growing educational needs must be assisted in every intelligent way that is consistent with the traditions of our private and State institutions.

This Higher Education Act of 1965 will help to provide the building blocks of better education: Libraries and books, more teachers and school administrators, and, in addition, some scholarship funds for the needy among our most promising students. The Federal Government cannot provide students with the will to learn or professors with the inspiration to teach, but it can help our institutions of higher learning to find the tools for willing students and dedicated teachers to use.

My own State of Massachusetts has many programs providing assistance to students and teachers. This Federal program should supplement and strengthen these programs—and not compete with them or jeopardize their continued success. Properly administered, H.R. 9567 can be of great advantage to the many institutions of higher learning and the great number of college students in Massachusetts.

Mr. Chairman, I support this bill, not only because we in Massachusetts have such such a high proportion of the Nation's college population and so many great educational institutions, but I support the program because I believe that a better college education for all students, including junior and community college students, and all States and regions helps the economy of the Nation as a whole, and, also, because it helps the strength and character of the country as a whole. All States prosper when the Nation has the educated manpower to continue the advance of its economy. And all our people prosper when we are a Nation of educated citizens and intelligent voters. Education can be the key to a life that is not only more prosperous, but more enlightened and worthwhile.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. SMITH].

The amendment was rejected.

The CHAIRMAN. Are there any further amendments to title IV? Are there any amendments to title V?

AMENDMENT OFFERED BY MR. QUIE

Mr. QUIE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Offered by Mr. QUIE: Page 74, insert after line 12 the following:

"DELETION OF CATEGORIES OF CONSTRUCTION

"SEC. 504. Section 106 of the Higher Education Facilities Act of 1963 is amended by striking out '(1) in the case of an institution of higher education other than a public community college or public technical institute, only if such construction is limited to structures, or portions thereof, especially designed for instruction or research in the natural or physical sciences, mathematics, modern foreign languages, or engineering, or for use as a library, and (2)'."

Mr. POWELL. Mr. Chairman, will the gentleman from Minnesota yield to me?

Mr. QUIE. I yield to the gentleman.

Mr. POWELL. Mr. Chairman, may I inquire how many amendments do we have left at the desk, please?

The CHAIRMAN. There are three more amendments left at the desk.

Mr. POWELL. Mr. Chairman, I know the three amendments, and they are all acceptable to us. I ask unanimous consent that all debate on this bill close in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. JONES of Missouri. Mr. Chairman, I would object to that, or, reserving the right to object, let me say every time we get an important bill here we cut off debate. I have the privilege of speaking, and I am going to exercise it. I have the same vote. I am inclined to want to vote for this legislation if we can get some sense into it, but I want to get some questions answered first, and I am going to object to closing debate in 15 minutes.

Mr. POWELL. Mr. Chairman, I have great respect for the gentleman from Missouri and also I respect the democratic right of any individual of this Nation to exercise his right to speak. Therefore I withdraw my unanimous-consent request at this time.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman.

Mr. GROSS. Why not read each amendment and then fix the time after reading each amendment?

Mr. POWELL. Mr. Chairman, will the gentleman from Minnesota yield to me?

Mr. QUIE. I yield to the gentleman.

Mr. POWELL. I will be glad to do what I can to expedite all these matters.

Mr. HALL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HALL. Has title V been read by title according to the rule?

The CHAIRMAN. The entire bill has been read at this point.

The gentleman from Minnesota is recognized for 5 minutes on his amendment.

Mr. POWELL. Mr. Chairman, will the gentleman from Minnesota yield?

Mr. QUIE. I yield to the gentleman from New York.

Mr. POWELL. This has been the position of the House in all higher educa-

tion bills. It is a very worthwhile amendment and conforms with prior education bills that have come out of our committee. We on our side are willing to accept it, but there may be some Member of the House who might like to ask a question concerning it.

Mr. QUIE. Mr. Chairman, I thank the gentleman for accepting the amendment. Let me say in explanation of it myself that when we passed the Higher Education Facilities Act of 1963 it provided no categorical grants. A college could receive assistance for any category in which it needed assistance. I think this is the way we ought to pass legislation. Efforts for categorical grants ought to cease, and whenever possible leave the decision to the institution itself. This we ought to do.

For that reason I am glad that we are taking this action. It will make a much better Higher Education Academic Facilities Act.

The CHAIRMAN. Without objection, the amendment offered by the gentleman from Minnesota is agreed to.

There was no objection.

Mr. JONES of Missouri. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I understand that an agreement has already been made to omit title VI of the bill. I am not going into that other than to say that the fact that some of the Members indicated they did not know this title was in the bill, and speaking to the minority Members who filed a minority report, I notice no reference was made to that title in their report, which would indicate that this bill probably did not have as much consideration as a bill of its importance should have had. It would seem that if some of the Members, and particularly the minority, were not exercising their duty as a loyal opposition to this one title, that there are other provisions in the bill of like kind.

We have also heard today of having amendments adopted by agreement here, which apparently were worthy amendments, but what I cannot understand is why they were not adopted in the committee. Would the gentlewoman from Oregon care to comment on that?

Mrs. GREEN of Oregon. I should be glad to. The amendment which was offered by the gentleman from Minnesota removes the categorical limitations which represents the position that the House has taken, as the Chairman very accurately described when the original bill was before the House. We did not want any categorical limitations. In the conference report we were forced to accept that provision or not have any bill. But this amendment has been discussed and is very familiar to the members of the committee.

The Senate changed it in their bill in the last week, and after the Senate had agreed to it in the last week then we decided to change it here on the House side after the full committee had taken action.

On the guaranteed loan provision, the American bankers made some objection, and it was since the bill was reported that negotiations were had with them, and, therefore, that amendment could

not have been considered by the committee.

Mr. JONES of Missouri. Mr. Chairman, I thank the gentlewoman for her explanation. It seems to me that we have been adopting legislation on the floor today that should have been adopted in the committee, which leads me to believe that there must have been some intention to sort of rush this bill out before we had full consideration.

Reading some of the language in the bill, on page 3, line 21, there is the language "shall such courses be of a frivolous nature."

Who would make the determination whether a course is frivolous?

Mrs. GREEN of Oregon. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. I yield to the gentlewoman.

Mrs. GREEN of Oregon. The language is "except, in no event, shall such courses be of a frivolous nature."

Mr. JONES of Missouri. I understand; but who makes the determination?

Mrs. GREEN of Oregon. The university or the college. We do not want Federal funds to be spent for what we describe as basket weaving, which covers a broad spectrum.

Mr. JONES of Missouri. Does the gentlewoman mean that a university would admit that they were teaching frivolous courses which would go toward a degree?

Mrs. GREEN of Oregon. I cannot imagine any university of any standing who would make that admission.

Mr. JONES of Missouri. On page 4, we read this:

In accordance with regulations of the Commissioner—

Get this—

any State may file with him a request that a specified portion of its allotment under this title be added to the allotment of another State.

Presumably one State could select which State was going to get that allotment. Further down, referring to the allotment it says "shall be added to the allotment of the other State." That seems to me rather ambiguous or at least very indefinite language, which would permit one State to determine that part of its money should go to some other State.

All the way through this bill you see language of a character of that type, the fact that this one title that I am referring to has been taken out, because none of the Members read it. Everybody seems to be agreeable to it and for that reason, I think, when the motion to recommit comes, we ought to support it and get the bill back to the committee and have the committee bring us a bill that has had a little more attention and a little more universal agreement.

The CHAIRMAN. Are there amendments to title VI?

AMENDMENT OFFERED BY MR. DENT

Mr. DENT. Mr. Chairman, on behalf of the gentleman from Ohio [Mr. Hays] and myself, I offer two amendments and ask unanimous consent to have them read en bloc.

The CHAIRMAN. Is there objection

to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. DENT: On page 74 strike out line 13 and all that follows down through line 23 on page 75, and on page 76, line 1, strike out "Title VII" and insert in lieu thereof, "Title VI" and redesignate sections 701 through 704 and all cross references thereto, as sections 601 through 604.

Mr. POWELL. Mr. Chairman, will the gentleman from Pennsylvania yield?

Mr. DENT. I yield to the gentleman from New York.

Mr. POWELL. Mr. Chairman, on this of the aisle we are very happy to accept the Dent-Hays amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania.

The amendment was agreed to.

The CHAIRMAN. Are there amendments to title VII?

AMENDMENT OFFERED BY MR. WAGGONNER

Mr. WAGGONNER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WAGGONNER: On page 78, line 15, after the word "Act," insert the words "or any other Act" and on page 78, line 21, strike out the period, insert a semi-colon, and add the following language: "or the membership practices or internal operations of any fraternal organization, fraternity or sorority, any private club or any religious organization of any institution of higher education."

(Mr. WAGGONNER asked and was given permission to revise and extend his remarks.)

Mr. WAGGONNER. Mr. Chairman, the freedom of all fraternal and social organizations is under direct attack because the Civil Rights Act of 1964 is being used as a weapon against the independence of social fraternities in a manner contrary to the expressed intent of Congress. Let me summarize the situation:

First. Title V of the Civil Rights Act of 1964—establishing the jurisdiction of the Civil Rights Commission—contains the following prohibition:

(6) Nothing in this or any other act shall be construed as authorizing the Commission, its Advisory Committees, or any person under its supervision or control to inquire into or investigate any membership practices or internal operations of any fraternal organization, any college or university fraternity or sorority, any private club or any religious organization.

Second. The purpose of the above-quoted provision was to make it clear that Congress did not intend the Civil Rights Act to be applied in such a manner as to interfere with the membership practices or internal operations of fraternal or social organizations, or to withhold or deny Federal funds or assistance of any kind because of such membership practices or internal operations, and so forth.

Third. Such a provision merely recognized the universally accepted proposition frequently announced by the U.S. Supreme Court that the right to associate privately for a lawful purpose without interference is a right protected by

the U.S. Constitution under both the 1st and 14th amendments.

Fourth. However, because title VI of said Civil Rights Act of 1964, does not also contain the prohibitive clause above quoted the Federal Government has announced a plan to force colleges to eliminate the free choice of fraternities by threatening to withhold, or actually withholding, any form of Federal aid to education funds. Evidence of the Government's position has been stated in a letter from Mr. Francis Keppel, U.S. Commissioner of Education.

Fifth. The clear congressional intent evidenced by the prohibition in title V is therefore being circumvented by bureaucratic misuse of title VI.

As a consequence, it would seem imperative that there be legislation making it clear that the congressional intent evidenced by the prohibition in title V applies to the whole act and particularly title VI and further that such prohibition will apply to this bill and any other act of Congress. This is the purpose of this amendment. I urge its passage.

Mr. POWELL. Mr. Chairman, will the gentleman from Louisiana yield?

Mr. WAGGONNER. I yield to the gentleman from New York, the chairman of the committee.

Mr. POWELL. We discussed that amendment and I hesitate to say something complimentary concerning the gentleman from Louisiana which may get back to his constituents but I would like to say that we accept this amendment because I was the author, as my colleagues know, of the Powell amendment in 1954, which at that time was very unpopular, the withholding of funds from any educational institution that did not comply with the decision of the Supreme Court. As the years came and went, this became a part of the Civil Rights Act. But in my original view then, and I hold that view now, I do not believe that there should be any withholding of funds from any institution of higher education because of discriminatory practices on the campus by private clubs and, therefore, I agree with the gentleman from Louisiana.

Mr. WAGGONNER. I thank the gentleman very much.

The CHAIRMAN. The question is on the amendment of the gentleman from Louisiana.

The amendment was agreed to.

The CHAIRMAN. There being no further amendments, under the rule the Committee rises.

Accordingly, the Committee rose, and the Speaker having resumed the chair, Mr. VANIK, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 9567) to strengthen the educational resources of our colleges and universities and to provide financial assistance for students in postsecondary and higher education, pursuant to House Resolution 527, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. QUIE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 367, nays 22, answered "present" 2, not voting 41, as follows:

[Roll No. 252]

YEAS—367

Adams	Dorn	Hull
Addabbo	Dow	Hungate
Albert	Dowdy	Huot
Anderson, Ill.	Downing	Hutchinson
Anderson, Tenn.	Dulski	Ichord
Andrews, Glenn	Duncan, Oreg.	Irwin
Andrews, N. Dak.	Duncan, Tenn.	Jacobs
Annunzio	Dwyer	Jarman
Arends	Dyal	Jennings
Ashbrook	Edmondson	Joelson
Ashley	Edwards, Ala.	Johnson, Calif.
Ashmore	Edwards, Calif.	Johnson, Okla.
Aspinall	Ellsworth	Johnson, Pa.
Ayres	Everett	Jones, Ala.
Baldwin	Evins, Tenn.	Jones, Mo.
Bandstra	Fallon	Karsten
Barling	Farbstein	Karsten
Barrett	Farnum	Kastenmeier
Bates	Fascell	Keith
Battin	Feighan	Kelly
Beckworth	Fino	King, Calif.
Belcher	Fisher	King, N.Y.
Bell	Flood	King, Utah
Bennett	Fogarty	Kirwan
Betts	Foley	Krebs
Bingham	Ford, Gerald R.	Kunkel
Blatnik	Ford,	Laird
Boggs	William D.	Landrum
Boland	Fountain	Langen
Bolton	Fraser	Latta
Bow	Frelinghuysen	Leggett
Brademas	Friedel	Lipscomb
Bray	Fulton, Pa.	Long, La.
Brock	Fulton, Tenn.	Long, Md.
Brooks	Fuqua	Love
Broomfield	Gallagher	McCarthy
Brown, Calif.	Garmatz	McClory
Broyhill, N.C.	Gathings	McCulloch
Broyhill, Va.	Gettys	McDade
Burke	Gibbons	McDowell
Burleson	Gilbert	McEwen
Burton, Calif.	Gilligan	McFall
Burton, Utah	Gonzalez	McGrath
Byrne, Pa.	Goodell	McMillan
Callan	Grabowski	McVicker
Cameron	Gray	Macdonald
Carey	Green, Oreg.	MacGregor
Carter	Green, Pa.	Machen
Casey	Greigg	Mackay
Cederberg	Grider	Mackie
Celler	Griffin	Mahon
Chamberlain	Griffiths	Mailliard
Chelf	Gross	Marsh
Clark	Grover	Martin, Ala.
Cleveland	Gurney	Martin, Nebr.
Clevenger	Hagan, Ga.	Mathias
Cohelan	Hagen, Calif.	Matsunaga
Collier	Haley	Matthews
Conable	Hall	May
Conte	Halleck	Meeds
Conyers	Halpern	Michel
Cooley	Hamilton	Miller
Corbett	Hanley	Mills
Craley	Hanna	Minish
Culver	Hansen, Idaho	Mink
Cunningham	Hansen, Iowa	Minshall
Curtin	Hansen, Wash.	Mize
Curtis	Hardy	Moeller
Daddario	Harris	Monagan
Daniels	Harscha	Moore
Davis, Ga.	Harvey, Ind.	Moorhead
Dawson	Hathaway	Morgan
de la Garza	Hawkins	Morris
Delaney	Hays	Morrison
Dent	Hébert	Morse
Denton	Hechler	Morton
Dickinson	Helstoski	Mosher
Diggs	Herlong	Moss
Dingell	Hicks	Multer
Dole	Holifield	Murphy, Ill.
Donohue	Holland	Murphy, N.Y.
	Horton	Murray
	Hosmer	Natcher
	Howard	Nedzi

Nelsen	Rogers, Colo.	Stubblefield
Nix	Rogers, Fla.	Sullivan
O'Hara, Ill.	Rogers, Tex.	Sweeney
O'Hara, Mich.	Ronan	Talcott
O'Konski	Rooney, N.Y.	Taylor
Olsen, Mont.	Rooney, Pa.	Teague, Calif.
Olson, Minn.	Roosevelt	Teague, Tex.
Ottinger	Rosenthal	Tenzer
Patman	Rostenkowski	Thomson, Wis.
Patten	Roudebush	Todd
Pelly	Roush	Trimble
Pepper	Roybal	Tuck
Perkins	Satterfield	Tunney
Philbin	St Germain	Tupper
Pickle	St. Onge	Tuten
Pike	Scheuer	Udall
Pirnie	Schisler	Ullman
Poage	Schmidhauser	Utt
Pool	Schneebeli	Van Deerlin
Powell	Schweiker	Vanik
Price	Scott	Vigorito
Pucinski	Secrest	Vivian
Purcell	Senner	Waggonner
Quie	Shriver	Walker, N. Mex.
Race	Sickles	Watkins
Randall	Sikes	Watts
Redlin	Skubitz	Weltner
Reid, Ill.	Slack	Whalley
Reid, N.Y.	Smith, Calif.	White, Tex.
Reifel	Smith, Iowa	Widnall
Reinecke	Smith, N.Y.	Willis
Resnick	Smith, Va.	Wilson, Bob
Reuss	Springer	Wilson,
Rhodes, Ariz.	Stafford	Charles H.
Rhodes, Pa.	Staggers	Wolff
Rivers, S.C.	Stalbaum	Wyatt
Rivers, Alaska	Stanton	Wyder
Roberts	Steed	Yates
Robison	Stephens	Younger
Rodino	Stratton	Zablocki

NAYS—22

Abernethy	Davis, Wis.	Poff
Byrnes, Wis.	Devine	Quillen
Callaway	Findley	Saylor
Clancy	Flynt	Watson
Clausen	Henderson	Whitener
Don H.	Jonas	Whitten
Colmer	Lennon	Williams
Dague	O'Neal, Ga.	

ANSWERED "PRESENT"—2

Buchanan	Derwinski
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NOT VOTING—41

Abbitt	Farnsley	Roncalio
Adair	Gialmo	Rumsfeld
Andrews,	Gubser	Ryan
George W.	Harvey, Mich.	Selden
Berry	Kee	Shipley
Bolling	Keogh	Sisk
Bonner	Kluczynski	Thomas
Cabell	Kornegay	Thompson, N.J.
Cahill	Lindsay	Thompson, Tex.
Clawson, Del.	Madden	Toll
Corman	Martin, Mass.	Walker, Miss.
Cramer	O'Brien	White, Idaho
Erlenborn	O'Neill, Mass.	Wright
Evans, Colo.	Passman	Young

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Rumsfeld for, with Mr. Derwinski against.

Mr. Selden for, with Mr. Buchanan against.

Until further notice:

Mr. O'Neill of Massachusetts with Mr. Adair.

Mr. Keogh with Mr. Berry.

Mr. Thompson of New Jersey with Mr. Cahill.

Mr. Cabell with Mr. Del Clawson.

Mr. Evans of Colorado with Mr. Cramer.

Mr. Gialmo with Mr. Erlenborn.

Mr. Toll with Mr. Gubser.

Mr. Sisk with Mr. Harvey of Michigan.

Mr. Shipley with Mr. Lindsay.

Mr. Thomas with Mr. Walker of Mississippi.

Mr. White of Idaho with Mr. Martin of Massachusetts.

Mr. Young with Mr. O'Brien.

Mr. Thompson of Texas with Mr. Passman.

Mr. Madden with Mr. Kee.

Mr. Kornegay with Mr. Kluczynski.

Mr. George W. Andrews with Mr. Farnsley.

Mr. Corman with Mr. Ryan.

Mr. Roncalio with Mr. Abbitt.

Mr. Wright with Mr. Bonner.

Mr. DERWINSKI. Mr. Speaker, I have a live pair with the gentleman from Illinois [Mr. RUMSFELD]. If he were present he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

Mr. BUCHANAN. Mr. Speaker, I have a live pair with the gentleman from Alabama [Mr. SELDEN]. If he were present he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mrs. GREEN of Oregon. Mr. Speaker I ask unanimous consent that all Members have 5 legislative days in which to extend their remarks and to include extraneous matter on the bill just passed.

The SPEAKER. Is there objection to the request of the gentlewoman from Oregon?

There was no objection.

THE SITUATION OF HUNGARIANS IN TRANSYLVANIA (RUMANIA)

(Mr. KREBS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KREBS. Mr. speaker, last month I had the pleasure of introducing a resolution, House Resolution 458 which condemned the discriminatory practices of the Communist Government of Rumania against its own citizens, particularly against the 1.75 million Hungarians in Transylvania.

Last Thursday many of my colleagues ably led by the gentleman from New York [Mr. HALPERN] discussed the issue at stake in detail, giving many specific instances of this discrimination which extends itself to almost all fields of human activity. Economic discrimination and neglect in the industrialization program of the Hungarian areas, forced transfer of engineers, doctors, lawyers and teachers from Hungarian areas into provinces outside of Transylvania where no Hungarians are living, police terror, communal fighting on a small scale, inequality in hiring and promotion practices, unjust sentences for "political" offenses, inadequate implementation of the 1963-64 amnesty, and reduction of Hungarian sections in schools, preventing many of the Hungarian applicants to enter universities, are all cases in point.

Under these circumstances it is imperative that the facts be told to the public and to our policymakers. Therefore, I hope strongly that the Foreign Affairs Committee will soon give active consideration to my resolution and to the 29 other resolutions pending on this subject so that the House shall have the opportunity to give voice to its conscience on the abridgement of human and civil rights in Communist Rumania, particularly in the Hungarian-inhabited areas of Transylvania.

UNITED STATES ECLIPSES RUSSIAN RECORDS

(Mr. STEED asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STEED. Mr. Speaker, earlier this morning the United States captured the all-time record for continuous manned space flight when Gemini 5 eclipsed the previous record set by Russia. My most famous constituent, Col. Leroy Gordon Cooper and his teammate, Comdr. Charles Conrad, continue to increase this lead, even as I speak.

Previously, Colonel Cooper broke the record for total hours of space flight for any individual and now holds all records for total and continuous space flight logged by any human being.

I know I speak for every Member of the House when I extend hearty and grateful congratulations and appreciation to the intrepid heroes who are manning Gemini 5. Also, these plaudits are due Jim Webb and his entire NASA team, who made these exploits possible.

But there are others involved in this great historic event to whom I think we should give our thanks, sympathy, and understanding during these crucial and exciting hours. I refer to the families and loved ones of the two astronauts. I know this prolonged ordeal has not been easy for the wives and children, the parents, and other loved ones who stay at home and endure the long watch of this flight. I am sure all my colleagues join me in extending our felicitations to these brave stay-at-homes, and in extending our fervent prayers for the glorious conclusion of the flight and the safe return of Colonel Cooper and Commander Conrad.

Mr. RIVERS of South Carolina. Mr. Speaker, will the gentleman yield?

Mr. STEED. I am happy to yield to the gentleman.

Mr. RIVERS of South Carolina. I sent word to the astronauts by the Director of the National Aeronautics and Space Administration and asked to get word to these young men who are circling the globe that since they left we have raised their salaries.

INFORMATION LEAK IN FOREIGN OPERATIONS SUBCOMMITTEE ON APPROPRIATIONS

(Mr. PASSMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PASSMAN. Mr. Speaker, Heaven forbid that I should ever take the position of being holier than thou. For some reason I am constituted in such a way that when I enter into an agreement, that agreement is firm and will never, never be violated.

On yesterday, the Foreign Operational Subcommittee on Appropriations marked up the giveaway bill in executive session. Special emphasis was placed on the importance of not leaking any information about the actions of the sub-

committee. But, in today's Washington Post I see an accurate account of the actions of the subcommittee.

Since this information has been leaked to the press, may I say forthrightly and categorically that I am not guilty, and my conscience is clear. I am not pointing an accusing finger in any direction; I am merely pointing out the facts as they are.

I am not pointing an accusing finger in any direction. I am merely pointing out the facts of life. In fact, I am so ashamed of the action taken that I wanted the information delayed as long as possible.

REDUCING THE NUMBER OF TROOP CARRIERS

(Mr. GRIDER asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and include extraneous matter.)

Mr. GRIDER. Mr. Speaker, the Pentagon has apparently embarked on a policy to reduce the number of troop carriers at a time when the war we face in southeast Asia requires more.

Two Air Force Reserve units in my district—the 919th and 920th Troop Carrier Groups—are being phased out in December. The reason given for dropping the training of 1,300 skilled reservists? The C-123 aircraft they train with are needed in "the active service," presumably Vietnam.

The rambling language of the Pentagon also explains that larger troop carriers are being developed. I believe, however, that landing strips in the jungle require smaller aircraft, not larger.

The power of the Bureau of the Budget is overwhelming. I fully endorse cutting the fat out of the budget; but I oppose the cutting of muscle from our defense structure.

Under unanimous consent, I would like to include at this point in my remarks a letter from a sergeant in one of the units being closed. He sums up the issue better than I ever could:

MEMPHIS, TENN.,
August 16, 1965.

HON. GEORGE W. GRIDER,
House of Representatives,
Washington, D.C.

SIR: I am an Air Force Reservist assigned to the 919th Troop Carrier Group (Assault) at Memphis Metro Airport. As you probably suspect this letter is about the closing of the two Reserve groups in Memphis.

I am a staff sergeant and air crew member and have over 12 years service with the Air Force and Reserves. The men of the 919th and 920th groups cannot understand this very untimely phasing out. It seems to us to be a very dangerous move to tamper with the Reserve Forces at this time.

I would like to bring to your attention some facts about our unit. I am sure though that you probably are already familiar with most of them.

First off let me say that we have a very unique responsibility as a Reserve unit. Ours is the only Air Force Reserve unit equipped with the very versatile aircraft, the Fairchild C-123B Provider. This aircraft is a twin engine light transport capable of taking off or landing on very short runways. This high wing monoplane has a heavy,

beefed up landing gear and is particularly suited for landing on unprepared runways. It is designed to carry approximately 60 combat troops or paratroops, who can either jump from the aircraft or be assault landed into a forward zone. It is also designed to carry cargo, which can be quickly unloaded. In a matter of minutes this aircraft can be stripped of its seats and rigged to carry litter patients. Not only can it haul troops and cargo into combat areas but can also be used to carry out our casualties.

All of us have trained hard for these type missions in order to be ready if we are ever needed. We think we are ready now. In order to keep our training more realistic, we practice takeoffs and landing at Memphis Metro Airport, not on the paved runways, but rather in the dirt and grass. This is a rather impressive show and to see it relieves any doubt about the professionalism of our pilots and aircrews. We have also constantly provided planes and crews whenever needed by U.S. Air Force Regulars to supplement their own missions. We have provided aircraft for troop drops at Fort Benning, Ga., Fort Campbell, Ky., and nine of our aircraft just returned from a series of drops at Fort Bragg, N.C. This gives us good training and also relieves the Regular Air Force of having to supply badly needed aircraft for these missions.

During the recent crisis in the Dominican Republic we supplied aircraft and crews on a regular basis to help the Air Force and Army in their buildup of forces and material in that area. I myself was away from my home and my job for a week on one of these missions. We are at present providing the Military Air Transport Service with aircraft and crews to relieve them of some of their stateside missions so that they can concentrate their greatest effort on the increased buildup in southeast Asia. I add here that all of these men that flew these missions were volunteers, that all have asked to go.

It seems to me that if our Reserves are again needed to fight and the C-123 is a vital aircraft in Vietnam, then the Air Force needs to keep these men who are trained to fly them. I hope that you as well as your congressional colleagues from across the Nation will understand this situation. To take away from us our aircraft and our mission does not make this country any stronger; it can only make it weaker. Weaker by 1,300 men.

It seems to me that the Defense Department is determined to go through with its ideas of Reserve-Guard merger whether Congress likes it or not. You men put a stop to any merger talk for the present, but if they phase out several Reserve units at a time, while slowly and quietly building up the National Guard, they will have accomplished the same thing. You men would not let them go in the front door so they have gone around to the back. It seems like the Defense Department "think factory" is about to put one over on us.

I, for one, am proud of my unit and I only wish every Congressman and Senator in Washington could hear these words.

I ask that you and Congress fight for us now so that we will be ready to fight for our country when you need us.

Respectfully,

TOM S. MCDANIEL.

THE GREAT STATE OF COLORADO

(Mr. McVICKER asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. McVICKER. Mr. Speaker, on Tuesday of this week a Member of this body from the State of New York—who

may or may not ever have traveled west of the Hudson River—inserted remarks into the CONGRESSIONAL RECORD about the great State of Colorado. Those remarks purported to picture that Rocky Mountain paradise as a den of iniquity, a land peopled with gamblers who avoid the law and bilk the honest citizenry.

Mr. Speaker, such an astounding myth—apparently uttered in some sincerity—must not be allowed to stand unchallenged.

The remarks of the New York Member stated that off-track betting in this country comes to about \$50 billion a year. The gentleman then branched out from this possibly accurate premise and then soared out into the following fallacious fantasy—and here I quote him—"on a population basis, illegal gambling in Colorado would come to about \$1.2 billion a year, so that Colorado is really a mountain of underworld lucre."

Mr. Speaker, the absurdity of this gentleman's conclusion is dumbfounding. Colorado's population is found in the large metropolitan area on the eastern slope of the Rockies as well as scattered throughout small mountain towns and farm and ranch communities.

These people are honest, hard-working, God-fearing souls. It is outrageous to me that they should be lumped into an overall population figure, which then apparently is manipulated with the ignorant impersonality of blind mathematics.

Perhaps we Coloradans are not wise in the ways of the worldly sophisticates found in our large eastern megalopolises. I must confess that we are deprived, because we are not depraved. Our innocence must really show to certain of our sharp eastern brethren, for we believe that horses are to ride upon, not just to bet upon; that one earns his bread by the sweat of his brow, not the betting of his shillings and sous. We know not of fast shuffles, only of square deals.

We apparently are so naive that, of all the New York gentleman's conclusions drawn from generalities, the silliest one we believe is that you make a criminal activity work for good by legalizing it and slapping a tax on it.

VOTING RIGHTS LAW

(Mr. EDWARDS of Alabama asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. EDWARDS of Alabama. Mr. Speaker, there are important facts regarding administration of the new voting rights law which I believe ought to be made known. They ought to be made known because of what I am sure is a feeling in the Justice Department and also among thoughtful citizens throughout the country that in counties where citizens are being registered to vote without regard for race there should be no intervention of Federal registrars. And, if the intervention of Federal registrars is thought to be necessary, then their activity should be guided by common sense and by the application of fair play without a vindictive attitude.

I submit that it is the overapplication of a stringent law, and it is a vindictive attitude on the part of Federal Government officials, which will serve not to make true progress toward interracial harmony, but rather will do harm to the goals set forth as the justification for the voting rights law of 1965 as well as the civil rights law of 1964.

One of the rural counties making up the First Congressional District of Alabama is Wilcox County, located some 80 miles to the north and east of Mobile. The county seat of Wilcox County is Camden.

In past years Wilcox County has registered few, if any, Negroes to vote. This is not a fact of which the county is proud, though many responsible citizens of the county have looked forward to the time when educational opportunities improve and other factors change sufficiently so that more voting-age citizens would achieve literacy and a public affairs awareness so as to enable them to make contributions to their community and their Nation not only as voters but in all ways.

Though progress toward these goals has been made over the past years it became evident early this year that faster progress would be called for. With that in mind, a delegation of five leading county citizens on March 5, 1965, journeyed to Mobile to consult there with Federal district judge Daniel H. Thomas regarding appropriate procedures to speed the voting registration progress in Wilcox County.

The group resolved on that date that voluntary compliance with all applicable voting laws would be effected immediately.

On March 15, 1965, county officials proceeded to register all citizens who applied regardless of race, creed, color, or national origin.

Between March 15 and August 15, 1965, 750 Negroes were certified to vote and 300 others are now in the process of certification, making a total of more than 1,000 actually on the voting rolls.

On August 16, 1965, 112 applications were taken from Negroes. Voluntary compliance on the part of county officials was evident for all to see. There was no interference by any person.

Meanwhile, on April 28, 1965, the Federal Appeals Court of New Orleans had set down minute details of voter registration procedures in an injunction served on the Wilcox County Board of Registrars. The board, as a result, had consulted again with Judge Daniel Thomas and also with the Alabama attorney general, Richmond Flowers, regarding procedures.

Later, two Justice Department employees indicated to the board that the injunction should be disregarded and that procedures should follow instructions as set forth in a personal letter signed by the Attorney General of the United States.

On August 20, 1965, Federal registrars in Camden said that voting applicants would not be required to read or write, and in addition would not be required to show proof of age or legal residence.

he has been about the most docile donkey I have ever seen and I do thank him.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

DISPENSING WITH BUSINESS IN ORDER UNDER THE CALENDAR WEDNESDAY RULE ON WEDNESDAY NEXT

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that Calendar Wednesday business may be dispensed with on Wednesday next.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

LEGISLATION TO AUTHORIZE BOYS TOWN TO ERECT MEMORIAL IN DISTRICT OF COLUMBIA

(Mr. CUNNINGHAM (at the request of Mr. SKUBITZ) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. CUNNINGHAM. Mr. Speaker, today I am introducing legislation that would authorize Father Flanagan's Boys' Home of Boys Town, Nebr., to erect a memorial on public ground in the District of Columbia or its environs. I am asking your wholehearted support for this bill which would honor and commemorate Father Edward J. Flanagan who founded the now world famous home for underprivileged and homeless boys in 1917.

For almost 50 years, Boys Town has opened its arms and heart to homeless, neglected and abandoned boys without regard to race, color, or creed. It is supported entirely by private contributions and receives no Federal, State, city, or church aid.

This legislation would authorize the Federal Government to provide an appropriate site for a monument; Boys Town would then pay all of the expenses in having a beautiful monument designed and erected upon such ground.

It would be very appropriate to have a monument in our Nation's Capital in memory of Father Flanagan, a man who spent almost his entire life in the rehabilitation and education of homeless and unfortunate boys. During his 62 years of life, Father Flanagan's complete dedication to God and the needs of neglected boys shaped him into an international symbol of spiritual and material hope for millions.

Boys Town was founded in 1917 with \$90 Father Flanagan borrowed to pay the first month's rent on a building. At first there were five boys, three from juvenile court and two homeless newsboys. From this humble beginning Boys Town has grown until today it comprises 1,500 acres, 900 of which are under cultivation, and over 50 buildings; more than 9,000 boys have called Boys Town their home in the nearly half century since its establishment.

Boys Town has given many young men a new chance in life and has given our

Nation many fine citizens. A thousand Boys Town graduates saw service in World War II, and 40 gave their lives for their country. In the Korean Conflict several hundred served, four giving their lives.

Father Flanagan served with distinction as a member of a national panel for the study of juvenile delinquency sponsored by the Federal Government. He was a member of the Naval Civilian Committee, National Chaplain of American War Dads, and was the recipient of the Humanitarian Award of the Variety Club of America. He died in Berlin, Germany, in 1948 while serving his country, studying child welfare problems in Europe, at the request of Gen. Douglas MacArthur and the U.S. War Department.

Mr. Speaker, I hope that this legislation will be favorably acted upon and given the prompt consideration that it deserves.

(Mr. LAIRD (at the request of Mr. SKUBITZ) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

[Mr. LAIRD'S remarks will appear hereinafter in the Appendix.]

HIGHER EDUCATION ACT

(Mr. LINDSAY (at the request of Mr. SKUBITZ) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. LINDSAY. Mr. Speaker, I find it not enough simply to voice my support of the Higher Education Act of 1965.

I am compelled also to answer the criticisms of the act.

I share with these critics "a deep concern for the vitality of our system of higher education." I, too, am deeply concerned for its independence and educational integrity.

But, we must realize that the independence and integrity of higher education cannot be assured with concern alone. The Federal Government must once again declare its intent to do whatever can be done to foster and maintain our system of higher education. The provisions of this bill must be looked upon as a continuing investment in education—an investment that must continue to grow. This investment will draw a continuing and ever-increasing return.

From title I will come expanded community service programs which will provide the healthy exchange of ideas between educators and administrators. I look to the courses, conferences, and seminars sponsored by title I with great expectation. I see in them the remedies and solutions for the problems of urban life. I foresee New York and other cities building a reasonable environment in which both great and good societies can flourish.

From the authorizations of title II will come a greater flow of the raw materials of education. The libraries of New York's colleges and universities will draw added nourishment from more books,

recordings, films, and other educational materials. Title II will also provide for the training of librarians.

Title III provides an opportunity for the younger and less fortunate institutions of higher education under beneficial exchange programs which will allow the younger institutions to converse freely with their elders. From these conversations will come swifter improvement in educational standards. The grants and fellowships authorized by title III will develop healthy comparisons, debate, and an exchange of ideas by those responsible for the continuing vitality of our unique American approach to higher education.

By making up to 25 percent of New York State's Federal National Defense Education Act student loan program contribution available to students in the form of grants—title IV would further help needy students to pay for their education. We cannot dismiss these realities: Higher education is becoming a necessity, yet it has already become a luxury many cannot afford.

Title V of the Higher Education Act answers the requests of public community colleges and public technical institutions for increased developmental aid. Their specialized programs and regional accessibility provide their communities with a means of continuing the educational process where formerly there was none.

I have spoken of the benefits to higher education of H.R. 9567. In my support of this legislation I fear only that I have not given due justice to the benefits of higher education to this country. Our sundried wars on inequality, our struggles with poverty, our campaigns for a great and good society—all of these battles must be doomed to failure if we do not also repay our debts to education.

It is from the institutions of higher education that the minds of the problem solvers come. We must insure today that tomorrow's minds are adequately prepared for the battles they are to fight.

(Mr. AYRES (at the request of Mr. SKUBITZ) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

[Mr. AYRES' remarks will appear hereafter in the Appendix.]

MICHIGAN FARM LABOR SITUATION

(Mr. CEDERBERG (at the request of Mr. SKUBITZ) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. CEDERBERG. Mr. Speaker, yesterday the gentleman from Wisconsin [Mr. RACE] donned the toga of an expert on the farm labor situation in Michigan and told the House that "no labor shortage exists in the cucumber fields of Michigan."

In his remarks he did not indicate how many Michigan cucumber farms he had visited to get firsthand information or how many Michigan pickle processing plants he had visited to learn about the

great waste that has occurred in the crop for want of pickers.

Our colleague [Mr. RACE] stated in his remarks that he feared the Michigan growers had not given me the whole story. If the gentleman from Wisconsin has the whole story on the Michigan farm labor shortage for this commodity I am sure the Michigan growers and processors would welcome an oration from him on the facts as they actually exist.

The gentleman from Wisconsin weaves his remarks around the experience of 14 young men comprising one of the Wisconsin A-teams and the target of his attack is the D. & B. Pickle Growers Association of Unionville, Mich.

I realize the gentleman from Wisconsin may have an obligation to defend the Johnson administration's new experiment in providing farm labor—an experiment which incidentally is proving costly for the farmers of California and Michigan and perhaps even other States.

However, I feel he should find out what he is talking about before he singles out one of our Michigan groups.

The D. & B. Pickle Association is headed by Mr. Edward Dillon and Mr. Arnold Bell. Since the derogatory address of the gentleman from Wisconsin appeared in yesterday's CONGRESSIONAL RECORD I have talked to members of this firm—both Mr. Arnold Bell and Mrs. Wilma Dillon, the latter being secretary of the association.

The D. & B. Pickle Association disclaims ever having a contract with the Wisconsin A-team although they had anticipated the use of Wisconsin youngsters. Mrs. Dillon advises me that representatives of the Department of Labor promised them A-team harvesters. On or about July 13, when no further word was received, Mrs. Dillon went to Detroit and conferred with a Mr. George Pope, one of the Washington representatives sent to Michigan, who told her he had canceled requests for Wisconsin A-teams. I am advised he stated that it made little sense to bring youngsters into Michigan from Wisconsin when Michigan A-teams could be utilized.

I understand the gentleman from Wisconsin is seeking to collect wages for his constituents who never reported for work. In the light of the information I have presented I would suggest he get in touch with Secretary Wirtz and find out who actually turned back the Wisconsin lads.

I am sure he will then have some insight into the bungling that has been involved in this whole program which has wreaked havoc with this harvest in the Nation's largest pickle producing State.

PRESIDENT INFERS ACCUSATIONS IN REFUSING HEARING TO FORD

(Mr. CEDERBERG (at the request of Mr. SKUBITZ) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. CEDERBERG. Mr. Speaker, as everyone knows by now, our colleague and my very good friend, JERRY FORD,

violated no confidence as charged by President Johnson.

Representative FORD has requested a conference with Mr. Johnson to discuss the President's charges. This request was made in a letter dated August 5. As late as this noon, Mr. FORD had not received any reply or acknowledgment to his request.

An editorial in the Pontiac, Mich., Press for August 23 points out that "Michigan is pretty indignant over the treatment accorded our own Representative GERALD FORD by the President of the United States."

Under leave to extend my remarks I include the entire editorial entitled "President Infers Accusations in Refusing Hearing to Ford":

PRESIDENT INFERS ACCUSATIONS IN REFUSING HEARING TO FORD

Michigan is pretty indignant over the treatment accorded our own Representative GERALD FORD by the President of the United States. Not so long ago, the President announced that a confidential briefing of leaders had been breached by the Wolverine congressional leader.

Mr. Ford denied everything.

He waxed indignant.

But he held his dignity and principles of high purpose as he requested a White House meeting with the President to prove and establish his innocence.

Did he get it?

He did not.

L.B.J., with utter indifference, casually looked out of the window and left the Michigan man standing hat in hand. This treatment is hardly becoming to the head of the Nation. GERALD FORD is the House minority leader and one of the most influential Congressmen in Washington. Furthermore, he's one of the most respected by his own party and the opposition.

In commenting on this unhappy turn of affairs, the San Diego Union said:

"Representative Ford showed courage, dignity, and grace and a fine sense of patriotism in replying to a bitter, taunting, and personal attack by the President. * * * He puts the best interests of his country above personal feelings * * * and displays high quality of leadership. * * * President Johnson should use his high position * * * against his principal critics, the Democrats who oppose him and not the Republicans who support him."

Many staunch Democrats agree that Representative Ford has not been treated honorably or fairly. You can't accuse someone of a wrong and then refuse to hear his side or retract.

THE LATE HON. CLARENCE J. BROWN

(Mr. FRELINGHUYSEN (at the request of Mr. SKUBITZ) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. FRELINGHUYSEN. Mr. Speaker, like so many others here on Capitol Hill, I was saddened to learn of the death of my colleague and friend, Clarence J. Brown. When I first came to the House in 1953, Mr. Brown had been a Representative from Ohio for 14 years; he had firmly established himself as a respected leader of the Republican Party. Since that first meeting with Clarence Brown, I have come to appreciate those qualities which made him a figure of enlarged proportions to a freshman Congressman.

Over the years I came also to know him as a friend, to respect his judgment, and admire his leadership.

Mr. Speaker, those who knew Clarence Brown best praise him most; I think this is the finest kind of tribute a man can receive. I deeply regret his passing and wish to extend my sympathies to his family.

I include in the RECORD at this point the thoughts of my good friend from New Jersey, a former Member of this body, James C. Auchincloss:

IN MEMORIAM—HON. CLARENCE J. BROWN

Another Member of the House who served his country with devotion and distinction has answered the last rollcall. Clarence J. Brown devoted his life to the service of others and was recognized as one who had the unalloyed confidence of those he served. In addition to his being a politician of the highest character he was a successful man of business and highly respected in this field. He was a success in all he undertook and he undertook much.

A big man with a growly voice, but a heart as big as his body, he made a host of friends who were won by respect for him and his character. He was a straightshooter and said what he meant and meant what he said. To some he may have been considered a reactionary, but many thought of him as a realist who was cautious in discharging the responsibilities of his office representing a host of Americans.

We may all envy the universal respect all men had for him, and we may glory in the fact we knew him as his colleagues, were privileged to associate with such a great American.

(Mr. WIDNALL (at the request of Mr. SKUBITZ) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

[Mr. WIDNALL'S remarks will appear hereafter in the Appendix.]

PREDICTION OF RIOTS IN WASHINGTON, D.C.

(Mr. GERALD R. FORD (at the request of Mr. SKUBITZ) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. GERALD R. FORD. Mr. Speaker, I am shocked by the impression given to the press by President Johnson that he warns of possible riots in Washington if the District of Columbia is not given the responsibility of home rule.

It should be emphasized that the merits of home rule for the District of Columbia are not involved. This issue should be resolved in a calm and deliberate atmosphere.

It is a tragic day for responsible civil rights champions and the entire Nation for the White House to possibly tempt those who might generate rioting and plundering.

By using the stark, sad and tragic memory of Los Angeles as a weapon, a pistol has been aimed at the head of Congress in an attempt to force Congress to abandon its responsibility to exercise its own judgment and independent will as a legislative body.

The lawless element, which flaunts the orderly processes of government with

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HIGHLIGHTS: Senate passed appropriation continuing resolution. Sen. Fulbright urged sale of wheat to Russia. Rep. Findley urged caution in drafting new sugar legislation, and criticized possible "new wheat deal" with Russia. Sen. Ribicoff introduced and discussed pesticide control bill. Rep. St. Onge urged nationwide marketing order for eggs. Rep. Cooley criticized proposed New Castle poultry loans.

SENATE

1. HOUSING. Agreed to the conference report on H. R. 6927, to provide for the establishment of a Department of Housing and Urban Development (pp. 21388-90). The bill includes a provision directing the President to undertake studies of the organization of housing and urban development programs within the Federal Government and to provide Congress with the results of such studies together with recommendations regarding the possible transfer of functions and programs to or from the Department.

2. APPROPRIATIONS. Passed without amendment H. J. Res. 639, the appropriations continuing resolution, which Sen. Hayden stated "extends from August 31 to September 30 existing provisions of law, providing funds for the operation of those agencies of Government for which the regular appropriation bills for the fiscal year 1966 have not yet been enacted" (p. 21388). This measure will now be sent to the President.
3. MARKETING ORDERS. Passed without amendment S. 2092, to permit inclusion of provisions for paid advertising in marketing orders applicable to celery, sweet corn, limes, or avocados. p. 21404
4. EDUCATION. The "Daily Digest" states that on Fri., Aug. 27, a subcommittee of the Labor and Public Welfare Committee "approved for full committee consideration with amendments S. 600, proposed Higher Education Act of 1965." p. 1897
5. PERSONNEL. The Post Office and Civil Service Committee reported S. 2393, without amendment, to authorize additional GS-16, GS-17, and GS-18 positions for use in agencies or functions created or substantially expanded after June 30, 1965 (S. Rept. 652), and H. R. 8469, with amendments, to provide certain increases in annuities payable from the civil service retirement and disability fund (S. Rept. 653). p. 21377
6. DEFENSE DEPARTMENT APPROPRIATION BILL. Conferees were appointed by both Houses on this bill, H. R. 9221. pp. 21275, 21374
7. WHEAT; FOREIGN TRADE. Sen. Fulbright urged that the U.S. sell wheat to Russia and inserted an article, "Most Canadians Backing Sales of Wheat to Communist Lands." p. 21395
8. DISASTER RELIEF. Sen. Jackson inserted the report of the President on actions taken by the Government to assist in the recovery of Alaska following the earthquake in 1964, including actions of this Department. pp. 21398-8
9. FARM PROGRAM. Sen. Yarborough inserted a letter to the editor by James G. Patton, president of the National Farmers Union, calling "for sound farm bill and rural programs to stabilize our rural areas instead of forcing migration from the farms." p. 21397
Sen. Proxmire inserted a speech by Sen. Kennedy, N. Y., discussing various topics, including reference to the possibility of the U. S. "using all the capacity of its farmers to feed millions of poor people all over the world." pp. 21385-6
10. BALANCE OF PAYMENTS. Sens. Proxmire and Hartke inserted several items reviewing the balance of payments situation, including letters of Secretary of Commerce Connor and Budget Bureau Director Schultze on the matter. pp. 21386-8, 21454-5
11. NOMINATION. Received the nomination of Lawrence F. O'Brien to be Postmaster General (p. 21457). Sen. Mansfield commended the nomination and inserted the transcript of the President's news conference announcing the nomination (pp. 21374-7).
12. FOREIGN AID. Sen. Carlson stated that private enterprise and non-Government resources are important in our foreign aid program and inserted the report of the Advisory Committee on Private Enterprise in Foreign Aid. pp. 21393-4

89TH CONGRESS
1ST SESSION

H. R. 9567

IN THE SENATE OF THE UNITED STATES

AUGUST 30, 1965

Read twice and referred to the Committee on Labor and Public Welfare

AN ACT

To strengthen the educational resources of our colleges and universities and to provide financial assistance for students in postsecondary and higher education.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Higher Education Act
4 of 1965".

5 TITLE I—COMMUNITY SERVICE PROGRAMS

6 DECLARATION OF PURPOSE; APPROPRIATIONS AUTHORIZED

7 SEC. 101. (a) The Congress finds that a greater involve-
8 ment of institutions of higher education in the solution of
9 problems brought about by increasing urbanization is essen-
10 tial to the rapid and effective solution of such problems. The

1 Congress also finds that an increase in the availability of
2 educational offerings by institutions of higher education for
3 persons in the community is necessary in order to insure that
4 the latest knowledge and techniques are brought to bear on
5 urban and suburban problems. The Congress further finds
6 that a strengthening of the resources of institutions of higher
7 education is desirable in order to facilitate a more effective
8 utilization of such resources in meeting the growing needs of
9 our urban and suburban communities. The Congress, there-
10 fore, declares that the purpose of this title is to provide a
11 program of support for institutions of higher education in
12 their establishing and maintaining community service pro-
13 grams designed to achieve these ends.

14 (b) There are authorized to be appropriated \$50,-
15 000,000 for the fiscal year ending June 30, 1966, to enable
16 the Commissioner to make grants under this title. For the
17 fiscal year ending June 30, 1967, and each of the three suc-
18 ceeding fiscal years, there may be appropriated, to enable
19 the Commissioner to make such grants, only such sums as
20 the Congress may hereafter authorize by law.

21 DEFINITION OF COMMUNITY SERVICE PROGRAM

22 SEC. 102. For purposes of this title, the term "commu-
23 nity service program" means—

24 (1) an educational program, activity, or service,
25 including a research program, which is specifically de-

signed to assist in the solution of urban or suburban problems, or

(2) an educational program, activity, or service which is designed to assist in the solution of community problems where the institution offering such program, activity, or service determines—

(A) that the proposed program, activity, or service is not otherwise available, and

(B) that the conduct of the program or performance of the activity or service is consistent with the institution's overall educational program and is of such a nature as is appropriate to the effective utilization of the institution's special resources and the competencies of its faculty.

Where such an educational program, activity, or service involves course offerings, such courses must be university extension or continuing education courses and must be—

(i) fully acceptable toward an academic degree, or

(ii) of college level as determined by the institution offering such courses,

except, in no event, shall such courses be of a frivolous nature.

ALLOTMENTS TO STATES

SEC. 103. (a) Of the sums appropriated pursuant to section 101 for each fiscal year, the Commissioner shall allot

1 \$25,000 each to Guam, American Samoa, the Common-
2 wealth of Puerto Rico, and the Virgin Islands and \$100,000
3 to each of the other States, and he shall allot to each State
4 an amount which bears the same ratio to the remainder of
5 such sums as the population of the State bears to the popula-
6 tion of all States.

7 (b) The amount of any State's allotment under sub-
8 section (a) for any fiscal year which the Commissioner de-
9 termines will not be required for such fiscal year for carry-
10 ing out the State plan (if any) approved under this title
11 shall be available for reallocation from time to time, on such
12 dates during such year as the Commissioner may fix, to other
13 States in proportion to the original allotments to such States
14 under such subsection for such year, but with such propor-
15 tionate amount for any of such States being reduced to the
16 extent it exceeds the sum the Commissioner estimates such
17 State needs and will be able to use for such year for carry-
18 ing out the State plan; and the total of such reductions shall
19 be similarly reallocated among the States whose proportionate
20 amounts were not so reduced. Any amount reallocated to a
21 State under this subsection during a year from funds appro-
22 priated pursuant to section 101 shall be deemed part of its
23 allotment under subsection (a) for such year.

24 (c) In accordance with regulations of the Commis-
25 sioner, any State may file with him a request that a specified

1 portion of its allotment under this title be added to the allot-
2 ment of another State under this title for the purpose of meet-
3 ing a portion of the Federal share of the cost of providing
4 community service programs under this title. If it is found
5 by the Commissioner that the programs with respect to which
6 the request is made would meet needs of the State making
7 the request and that use of the specified portion of such
8 State's allotment, as requested by it, would assist in carrying
9 out the purposes of this title, such portion of such State's al-
10 lotment shall be added to the allotment of the other State
11 under this title to be used for the purpose referred to above.

12 (d) The population of a State and of all the States
13 shall be determined by the Commissioner on the basis of the
14 most recent satisfactory data available from the Department
15 of Commerce.

16 USES OF ALLOTTED FUNDS

17 SEC. 104. A State's allotment under section 103 may
18 be used, in accordance with its State plan approved under
19 section 105 (b), to provide new, expanded, or improved
20 community service programs.

21 STATE PLANS

22 SEC. 105. (a) Any State desiring to receive its allot-
23 ment of Federal funds under this title shall designate or
24 create a State agency or institution which has special quali-
25 fications with respect to solving community problems and

1 which is broadly representative of institutions of higher edu-
2 cation in the State which are competent to offer community
3 service programs, and shall submit to the Commissioner
4 through the agency or institution so designated a State plan.
5 If a State desires to designate for the purposes of this section
6 an existing State agency or institution which does not meet
7 these requirements, it may do so if the agency or institution
8 takes such action as may be necessary to acquire such quali-
9 fications and assure participation of such institutions, or if it
10 designates or creates a State advisory council which meets
11 the requirements not met by the designated agency or in-
12 stitution to consult with the designated agency or institution
13 in the preparation of the State plan. A State plan sub-
14 mitted under this title shall be in such detail as the Com-
15 missioner deems necessary and shall—

16 (1) provide that the agency or institution so desig-
17 nated or created shall be the sole agency for adminis-
18 tration of the plan or for supervision of the administration
19 of the plan; and provide that such agency or institution
20 shall consult with any State advisory council required
21 to be created by this section with respect to policy mat-
22 ters arising in the administration of such plan;

23 (2) set forth a comprehensive, coordinated, and
24 statewide system of community service programs
25 under which funds paid to the State (including funds

1 paid to an institution pursuant to section 106 (b)) under
2 its allotments under section 103 will be expended solely
3 for community service programs which have been ap-
4 proved by the agency or institution administering the
5 plan;

6 (3) set forth the policies and procedures to be
7 followed in allocating Federal funds to institutions of
8 higher education in the State, which policies and pro-
9 cedures shall insure that due consideration will be
10 given—

11 (A) to the relative capacity and willingness
12 of particular institutions of higher education
13 (whether public or private) to provide effective
14 community service programs;

15 (B) to the availability of and need for com-
16 munity service programs among the population
17 within the State; and

18 (C) to the results of periodic evaluations of
19 the programs carried out under this title in the light
20 of information regarding current and anticipated
21 community problems in the State;

22 (4) set forth policies and procedures designed to
23 assure that Federal funds made available under this title
24 will be so used as not to supplant State or local funds, or
25 funds of institutions of higher education, but supplement

1 them, and, to the extent practicable, increase the
2 amounts of such funds that would in the absence of such
3 Federal funds be made available for community service
4 programs;

(5) set forth such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the State (including such funds paid by the State or by the Commissioner to institutions of higher education) under this title; and

(6) provide for making such reports in such form and containing such information as the Commissioner may reasonably require to carry out his functions under this title, and for keeping such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports.

(b) The Commissioner shall approve any State plan and any modification thereof which complies with the provisions of subsection (a).

21 PAYMENTS

SEC. 106. (a) Payment under this title shall be made to those State agencies and institutions which administer plans approved under section 105 (b). Payments under this title from a State's allotment with respect to the cost of

1 developing and carrying out its State plan shall equal 75
2 per centum of such costs for the fiscal year ending June 30,
3 1966, and 50 per centum of such costs for the fiscal year
4 ending June 30, 1967, and each of the three succeeding
5 fiscal years, except that no payments for any fiscal year shall
6 be made to any State with respect to expenditures for devel-
7 oping and administering the State plan which exceed 5 per
8 centum of the costs for that year for which payment under
9 this subsection may be made to that State. In determining
10 the cost of developing and carrying out a State's plan, there
11 shall be excluded any cost with respect to which payments
12 were received under any other Federal program.

13 (b) Payments to a State under this title may be made in
14 installments and in advance or by way of reimbursement
15 with necessary adjustments on account of overpayments or
16 underpayments, and they may be paid directly to the State
17 or to one or more participating institutions of higher educa-
18 tion designated for this purpose by the State, or to both.

19 ADMINISTRATION OF STATE PLANS

20 SEC. 107. (a) The Commissioner shall not finally dis-
21 approve any State plan submitted under this title, or any
22 modification thereof, without first affording the State agency
23 or institution submitting the plan reasonable notice and
24 opportunity for a hearing.

(b) Whenever the Commissioner, after reasonable notice and opportunity for hearing to the State agency or institution administering a State plan approved under section 105 (b), finds that—

(1) the State plan has been so changed that
it no longer complies with the provisions of section
105 (a), or

8 (2) in the administration of the plan there is a
9 failure to comply substantially with any such provision,
10 the Commissioner shall notify the State agency or institution
11 that the State will not be regarded as eligible to participate
12 in the program under this title until he is satisfied that there
13 is no longer any such failure to comply.

14 JUDICIAL REVIEW

SEC. 108. (a) If any State is dissatisfied with the Commissioner's final action with respect to the approval of its State plan submitted under section 105 (a) or with his final action under section 107 (b), such State may, within sixty days after notice of such action, file with the United States court of appeals for the circuit in which the State is located a petition for review of that action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Commissioner. The Commissioner thereupon shall file in the court the record of the proceedings on which he based

1 his action, as provided in section 2112 of title 28, United
2 States Code.

3 (b) The findings of fact by the Commissioner, if sup-
4 ported by substantial evidence, shall be conclusive; but the
5 court, for good cause shown, may remand the case to the
6 Commissioner to take further evidence, and the Commis-
7 sioner may thereupon make new or modified findings of fact
8 and may modify his previous action, and shall certify to the
9 court the record of the further proceedings. Such new or
10 modified findings of fact shall likewise be conclusive if sup-
11 ported by substantial evidence.

12 (c) The court shall have jurisdiction to affirm the action
13 of the Commissioner or to set it aside, in whole or in part.
14 The judgment of the court shall be subject to review by the
15 Supreme Court of the United States upon certiorari or certifi-
16 cation as provided in section 1254 of title 28, United States
17 Code.

18 NATIONAL ADVISORY COMMITTEE ON COMMUNITY SERVICE
19 PROGRAMS

20 SEC. 109. (a) The Commissioner shall establish in the
21 Office of Education a National Advisory Committee on
22 Community Service Programs (hereinafter referred to
23 as the "Advisory Committee"), consisting of the Commis-
24 sioner, who shall be Chairman, one representative each of

1 the Departments of Agriculture, Commerce, Defense, Labor,
2 Interior, and State, of the Housing and Home Finance
3 Agency and the Office of Economic Opportunity, and of such
4 other Federal agencies having extension education responsi-
5 bilities as the Commissioner may designate, and six members
6 appointed, for staggered terms and without regard to the
7 civil service laws, by the Commissioner with the approval of
8 the Secretary of Health, Education, and Welfare. Such six
9 members shall, to the extent possible, include persons knowl-
10 edgeable in the field of extension and continuing education,
11 State and local officials and other persons having special
12 knowledge, experience, or qualification with respect to com-
13 munity problems, and persons representative of the general
14 public. The Advisory Committee shall meet at the call of
15 the Chairman but not less often than twice a year.

16 (b) The Advisory Committee shall advise the Commis-
17 sioner in the preparation of general regulations and with
18 respect to policy matters arising in the administration of this
19 title, including policies and procedures governing the ap-
20 proval of State plans under section 105 (b) .

21 (c) Members of the Advisory Committee who are not
22 regular full-time employees of the United States shall, while
23 serving on the business of the Advisory Committee, be en-
24 titled to receive compensation at rates fixed by the Secre-
25 tary, but not exceeding \$100 per day, including travel time ;

1 and, while so serving away from their homes or regular
2 places of business, members may be allowed travel expenses,
3 including per diem in lieu of subsistence, as authorized by
4 section 5 of the Administrative Expenses Act of 1946 (5
5 U.S.C. 73b-2) for persons in the Government service em-
6 ployed intermittently.

7 REVIEW OF COMMUNITY SERVICE PROGRAMS AND OF THE
8 PROVISIONS OF THIS TITLE

9 SEC. 110. (a) The Secretary shall, during 1968, ap-
10 point a Review Council on Community Service Programs
11 (hereafter in this title referred to as the "Council") for
12 the purpose of reviewing the administration of community
13 service programs for which funds are appropriated pursuant
14 to this title and making recommendations for the improve-
15 ment of that administration, and for purpose of reviewing the
16 effectiveness of and making recommendations with respect
17 to these community service programs and with respect to
18 this title.

19 (b) The Council shall be appointed by the Secretary
20 without regard to the civil service laws and shall consist of
21 twelve persons who shall, to the extent possible, include per-
22 sons knowledgeable in the field of extension and continuing
23 education, State and local officials having special knowledge,
24 experience, or qualification with respect to community prob-
25 lems, and persons representative of the general public.

1 (c) The Secretary is authorized to engage such technical
2 assistance as may be required to carry out the functions
3 of the Council, and the Secretary shall, in addition, make
4 available to the Council such secretarial, clerical, and other
5 assistance and such pertinent data prepared by the Depart-
6 ment of Health, Education, and Welfare as it may require
7 to carry out its functions.

8 (d) The Council shall make a report of its findings and
9 recommendations (including recommendations for changes
10 in the provisions of this title) to the Secretary, such report
11 to be submitted not later than March 31, 1969, after which
12 date such Council shall cease to exist. The Secretary shall
13 transmit such report to the President for transmittal to the
14 Congress together with his comments and recommendations.

15 (e) Members of the Council who are not regular full-
16 time employees of the United States shall, while serving on
17 business of the Council, be entitled to receive compensation
18 at rates fixed by the Secretary, but not exceeding \$100 per
19 day, including travel time; and while so serving away from
20 their homes or regular places of business, members may be
21 allowed travel expenses, including per diem in lieu of sub-
22 sistence, as authorized by section 5 of the Administrative
23 Expenses Act of 1946 (5 U.S.C. 73b-2) for persons in
24 Government service employed intermittently.

RELATIONSHIP TO OTHER EXTENSION PROGRAMS

SEC. 111. Nothing in this title shall modify authorities under the Act of February 23, 1917 (Smith-Hughes Vocational Education Act), as amended (20 U.S.C. 11-15, 16-28) ; the Vocational Education Act of 1946, as amended (20 U.S.C. 15i-15m, 15o-15q, 15aa-15jj, and 15aaa-15ggg) ; the Vocational Education Act of 1963 (20 U.S.C. 35-35n) ; title VIII of the Housing Act of 1964 (Public Law 88-560) ; or the Act of May 8, 1914 (Smith-Lever Act), as amended (7 U.S.C. 341-348).

TITLE II—COLLEGE LIBRARY ASSISTANCE AND

LIBRARY TRAINING AND RESEARCH

PART A—COLLEGE LIBRARY RESOURCES

APPROPRIATIONS AUTHORIZED

SEC. 201. There are authorized to be appropriated \$50,000,000 for the fiscal year ending June 30, 1966, to enable the Commissioner to make grants under this part to institutions of higher education to assist and encourage such institutions in the acquisition for library purposes of books, periodicals, documents, magnetic tapes, phonograph records, audiovisual materials, and other related library materials (including necessary binding). For the fiscal year ending June 30, 1967, and each of the three succeeding fiscal years, there may be appropriated, to enable the Commis-

1 sioner to make such grants, only such sums as the Congress
2 may hereafter authorize by law.

3 BASIC GRANTS

4 SEC. 202. From 75 per centum of the sums appropriated
5 pursuant to section 201 for any fiscal year, the Commissioner
6 is authorized to make basic grants for the purposes set forth
7 in that section to institutions of higher education and com-
8 binations of such institutions. The amount of a basic grant
9 shall not exceed \$5,000 for each such institution, and a
10 basic grant under this subsection may be made only if the
11 application therefor is approved by the Commissioner upon
12 his determination that the application (whether by an in-
13 dividual institution or a combination of institutions) —

14 (a) provides satisfactory assurance that the appli-
15 cant will expend during the fiscal year for which the
16 grant is requested (from funds other than funds received
17 under this part) for all library purposes (exclusive of
18 construction) (1) an amount not less than the average
19 annual amount it expended for such purposes during
20 the two-year period ending June 30, 1965, and (2) an
21 amount (from such other sources) equal to not less than
22 the amount of such grant;

23 (b) provides satisfactory assurance that the appli-
24 cant will expend during the fiscal year for which the
25 grant is requested (from funds other than funds received

1 under this part) for books, periodicals, documents, mag-
2 netic tapes, phonograph records, audiovisual materials,
3 and other related materials (including necessary bind-
4 ing) for library purposes an amount not less than the
5 average annual amount it expended for such materials
6 during the two-year period ending June 30, 1965;

7 (c) provides for such fiscal control and fund ac-
8 counting procedures as may be necessary to assure
9 proper disbursement of and accounting for Federal funds
10 paid to the applicant under this section; and

11 (d) provides for making such reports, in such form
12 and containing such information, as the Commissioner
13 may require to carry out his functions under this section,
14 and for keeping such records and for affording such access
15 thereto as the Commissioner may find necessary to as-
16 sure the correctness and verification of such reports.

17 SUPPLEMENTAL GRANTS

18 SEC. 203. (a) From the remainder of such 75 per
19 centum of the sums appropriated pursuant to section 201 for
20 any fiscal year, the Commissioner is authorized to make sup-
21 plemental grants for the purposes set forth in that section to
22 institutions of higher education and combinations of such in-
23 stitutions. The amount of a supplemental grant shall not
24 exceed \$10 for each full-time student (including the full-

1 time equivalent of the number of part-time students) en-
2 rolled in each such institution, as determined pursuant to
3 regulations of the Commissioner. A supplemental grant
4 may be made only upon application therefor, in such form
5 and containing such information as the Commissioner may
6 require, which application shall—

7 (1) meet the application requirements set forth in
8 section 202 except for the matching requirement set
9 forth in paragraph (a) (2) of that section;

10 (2) describe the size and quality of the library
11 resources of the applicant in relation to its present en-
12 rollment and any expected increase in its enrollment;

13 (3) set forth any special circumstances which are
14 impeding or will impede the proper development of its
15 library resources; and

16 (4) provide a general description of how a supple-
17 mental grant would be used to improve the size or
18 quality of its library resources.

19 (b) The Commissioner shall approve applications for
20 supplemental grants on the basis of basic criteria prescribed
21 in regulations and developed after consultation with the
22 Council created under section 205. Such basic criteria shall
23 be such as will best tend to achieve the objectives of this part
24 and they may take into consideration factors such as the size

1 and age of the library collection, student enrollment, and
2 endowment and other financial resources.

3 SPECIAL PURPOSE GRANTS

4 SEC. 204. Twenty-five per centum of the sums appro-
5 priated pursuant to section 201 for each fiscal year, plus any
6 part of the remainder of such sums as the Commissioner
7 determines will not be needed for making grants under sec-
8 tions 202 and 203, shall be used by the Commissioner to
9 make special grants (a) to institutions of higher education
10 which demonstrate a special need for additional library re-
11 sources and which demonstrate that such additional library
12 resources will make a substantial contribution to the quality
13 of their educational resources, (b) to institutions of higher
14 education to meet special national or regional needs in the
15 library and information sciences, and (c) to combinations of
16 institutions of higher education which need special assistance
17 in establishing joint-use facilities. Grants under this section
18 may be used only for books, periodicals, documents, magnetic
19 tapes, phonograph records, audiovisual materials, and other
20 related library materials (including necessary binding).

21 ADVISORY COUNCIL ON COLLEGE LIBRARY RESOURCES

22 SEC. 205. (a) The Commissioner shall establish in the
23 Office of Education an Advisory Council on College Library
24 Resources consisting of the Commissioner, who shall be

1 Chairman, and eight members appointed, without regard to
2 the civil service laws, by the Commissioner with the ap-
3 proval of the Secretary.

4 (b) The Advisory Council shall advise the Commis-
5 sioner with respect to establishing criteria for the making of
6 supplemental grants under section 203 and the making of
7 special purpose grants under section 204. The Commis-
8 sioner may appoint such special advisory and technical ex-
9 perts and consultants as may be useful in carrying out the
10 functions of the Advisory Council.

11 (c) Members of the Advisory Council, while serving on
12 business of the Advisory Council, shall receive compensation
13 at a rate to be fixed by the Secretary, but not exceeding
14 \$100 per day, including travel time; and, while so serving
15 away from their homes or regular places of business, they
16 may be allowed travel expenses, including per diem in lieu
17 of subsistence, as authorized by section 5 of the Administra-
18 tive Expenses Act of 1946 (5 U.S.C. 73b-2) for persons
19 in the Government service employed intermittently.

20 ACCREDITATION REQUIREMENT FOR PURPOSES OF THIS

21 PART

22 SEC. 206. For the purposes of this part, an educational
23 institution shall be deemed to have been accredited by a
24 nationally recognized accrediting agency or association if the
25 Commissioner determines that there is satisfactory assurance

1 that upon acquisition of the library resources with respect to
2 which assistance under this part is sought, or upon acquisition
3 of those resources and other library resources planned
4 to be acquired within a reasonable time, the institution will
5 meet the accreditation standards of such agency or association.
6

7 LIMITATION

8 SEC. 207. No grant may be made under this part for
9 books, periodicals, documents, or other related materials to
10 be used for sectarian instruction or religious worship, or
11 primarily in connection with any part of the program of a
12 school or department of divinity. For purposes of this section,
13 the term "school or department of divinity" means an
14 institution or a department or branch of an institution whose
15 program is specifically for the education of students to prepare
16 them to become ministers of religion or to enter upon
17 some other religious vocation, or to prepare them to teach
18 theological subjects.

19 CONSULTATION WITH STATE AGENCY

20 SEC. 208. Each institution of higher education which
21 receives a grant under this part shall consult with respect to
22 its activities under this part with the State agency (if any)
23 which is concerned with the educational activities of all institutions
24 of higher education in the State in which the recipient
25 institution is located.

1 PART B—LIBRARY TRAINING AND RESEARCH

2 APPROPRIATIONS AUTHORIZED

3 SEC. 221. There are authorized to be appropriated
4 \$15,000,000 for the fiscal year ending June 30, 1966, for
5 the purpose of carrying out this part. For the fiscal year
6 ending June 30, 1967, and each of the three succeeding fiscal
7 years, there may be appropriated for such purpose only such
8 sums as the Congress may hereafter authorize by law.

9 DEFINITION OF "LIBRARIANSHIP"

10 SEC. 222. For the purposes of this part the term "li-
11 brarianship" means the principles and practices of the library
12 and information sciences, including the acquisition, organiza-
13 tion, storage, retrieval, and dissemination of information, and
14 reference and research use of library and other information
15 resources.

16 GRANTS FOR TRAINING IN LIBRARIANSHIP

17 SEC. 223. (a) The Commissioner is authorized to make
18 grants to institutions of higher education to assist them in
19 training persons in librarianship. Such grants may be
20 used by such institutions to assist in covering the cost of
21 courses of training or study for such persons, and for estab-
22 lishing and maintaining fellowships or traineeships with sti-
23 pends (including allowances for traveling, subsistence, and

1 other expenses) for fellows and others undergoing training
2 and their dependents not in excess of such maximum amounts
3 as may be prescribed by the Commissioner.

4 (b) The Commissioner may make a grant to an institu-
5 tion of higher education only upon application by the institu-
6 tion and only upon his finding that such program will sub-
7 stantially further the objective of increasing the opportunities
8 throughout the Nation for training in librarianship.

9 RESEARCH AND DEMONSTRATIONS RELATING TO LIBRARIES
10 AND THE TRAINING OF LIBRARY PERSONNEL

11 SEC. 224. (a) The Commissioner is authorized to make
12 grants to institutions of higher education and other public
13 or private agencies, institutions, and organizations, for
14 research and demonstration projects relating to the improve-
15 ment of libraries or the improvement of training in librarian-
16 ship, including the development of new techniques, systems,
17 and equipment for processing, storing, and distributing
18 information, and for the dissemination of information derived
19 from such research and demonstrations, and, without regard
20 to section 3709 of the Revised Statutes (41 U.S.C. 5), to
21 provide by contracts with them for the conduct of such
22 activities; except that no such grant may be made to a

1 private agency, organization, or institution other than a
2 nonprofit one.

3 (b) The Commissioner is authorized to appoint a special
4 advisory committee of not more than nine members to advise
5 him on matters of general policy concerning research and
6 demonstration projects relating to the improvement of
7 libraries and the improvement of training in librarianship,
8 or concerning special services necessary thereto or special
9 problems involved therein.

10 (c) Members of the committee appointed under this
11 section who are not regular full-time employees of the United
12 States shall, while serving on the business of the committee,
13 be entitled to receive compensation at rates fixed by the
14 Commissioner, but not in excess of \$100 per diem, including
15 travel time; and they may, while so serving away from their
16 homes or regular places of business, be allowed travel ex-
17 penses, including per diem in lieu of subsistence, as authorized
18 by section 5 of the Administrative Expenses Act of 1946
19 (5 U.S.C. 73b-2) for persons in the Government service
20 employed intermittently.

21 **REPEALER**

22 SEC. 225. Effective July 1, 1965, section 1101 of the
23 National Defense Education Act of 1958 is amended by

1 adding the word "or" at the end of clause (2), by striking
 2 out clause (3), and by renumbering clause (4) as clause
 3 (3).

4 PART C—STRENGTHENING COLLEGE AND RESEARCH
 5 LIBRARY RESOURCES

6 APPROPRIATIONS AUTHORIZED

7 SEC. 231. There are hereby authorized to be appro-
 8 priated \$5,000,000 for the fiscal year ending June 30, 1966,
 9 to enable the Commissioner to transfer funds to the Librarian
 10 of Congress for the purpose of—

11 (a) acquiring, so far as possible, all library mate-
 12 rials currently published throughout the world which are
 13 of value to scholarship; and

14 (b) providing catalog information for such mate-
 15 rials promptly after receipt, and using for exchange and
 16 other purposes such of these materials as are not needed
 17 for the Library of Congress collection.

18 For the fiscal year ending June 30, 1967, and each of the
 19 three succeeding fiscal years, there may be appropriated,
 20 to enable the Commissioner to transfer funds to the Librarian
 21 of Congress for such purpose, only such sums as the Congress
 22 may hereafter authorize by law.

3 STATEMENT OF PURPOSE, AND APPROPRIATIONS
4 AUTHORIZED

(b) There are authorized to be appropriated \$30,000,-
000 for the fiscal year ending June 30, 1966, to carry out
the provisions of this title. For the fiscal year ending June
30, 1967, and each of the three succeeding fiscal years, there
may be appropriated, to carry out such provisions, only such
sums as the Congress may hereafter authorize by law.

1 DEFINITION OF "DEVELOPING INSTITUTION"

2 S53. 302. As used in this title the term "developing
3 institution" means a public or nonprofit educational institu-
4 tion in any State which—

5 (a) admits as regular students only persons having
6 a certificate of graduation from a school providing sec-
7 ondary education, or the recognized equivalent of such a
8 certificate;

9 (b) is legally authorized to provide, and provides
10 within the State, an educational program for which it
11 awards a bachelor's degree;

12 (c) will, by the end of the academic year for which
13 it seeks assistance under this title, have awarded a bache-
14 lor's degree for six consecutive academic years;

15 (d) is accredited by a nationally recognized accred-
16 iting agency or association determined by the Com-
17 missioner to be reliable authority as to the quality of
18 training offered or is, according to such an agency or
19 association, making reasonable progress toward accredi-
20 tation;

21 (e) is making a reasonable effort to improve the
22 quality of its teaching and administrative staffs and of
23 its student services;

1 (f) is seriously handicapped in its efforts to improve
2 such staffs and services by lack of financial resources
3 and a shortage of qualified professional personnel;

4 (g) meets such other requirements as the Com-
5 missioner may prescribe by regulation; and

6 (h) is not an institution, or department or branch
7 of an institution, whose program is specifically for the
8 education of students to prepare them to become min-
9 isters of religion or to enter upon some other religious
10 vocation or to prepare them to teach theological subjects.

11 ADVISORY COUNCIL ON DEVELOPING INSTITUTIONS

12 SEC. 303. (a) The Commissioner shall establish in the
13 Office of Education an Advisory Council on Developing
14 Institutions (hereinafter in this title referred to as the
15 “Council”), consisting of the Commissioner, who shall be
16 Chairman, one representative each of such Federal agencies
17 having responsibilities with respect to developing institu-
18 tions as the Commissioner may designate, and eight mem-
19 bers appointed, without regard to the civil service laws,
20 by the Commissioner with the approval of the Secretary.

21 (b) The Council shall advise the Commissioner with
22 respect to policy matters arising in the administration of
23 this title and in particular shall assist the Commissioner
24 in identifying those developing institutions through which
25 the purposes of this title can best be achieved and in estab-

1 lishing priorities for use in approving applications under
2 this title. The Commissioner may appoint such special
3 advisory and technical experts and consultants as may be
4 useful in carrying out the functions of the Council.

5 (c) Members of the Council who are not otherwise
6 full-time employees of the United States shall, while serv-
7 ing on business of the Council, receive compensation at
8 a rate to be fixed by the Secretary, but not exceeding
9 \$100 per day, including travel time; and, while so serving
10 away from their homes or regular places of business, mem-
11 bers may be allowed travel expenses, including per diem
12 in lieu of subsistence, as authorized by section 5 of the
13 Administrative Expenses Act of 1946 (5 U.S.C. 73b-2)
14 for persons in the Government service employed inter-
15 mittently.

16 GRANTS FOR COOPERATIVE AGREEMENTS TO STRENGTHEN
17 DEVELOPING INSTITUTIONS

18 SEC. 304. (a) The Commissioner is authorized to make
19 grants to developing institutions and other colleges and uni-
20 versities to pay part of the cost of planning, developing, and
21 carrying out cooperative arrangements which show promise
22 as effective measures for strengthening the academic pro-
23 grams of developing institutions. Such cooperative arrange-
24 ments may be between developing institutions, between de-
25 veloping institutions and other colleges and universities, and

1 between developing institutions and organizations, agencies,
2 and business entities. Grants under this section may be used
3 for projects and activities such as—

4 (1) exchange of faculty or students, including ar-
5 rangements for bringing visiting scholars to developing
6 institutions;

7 (2) faculty improvement programs utilizing train-
8 ing, education, internships, research participation, and
9 other means;

10 (3) introduction of new curriculums and curricular
11 materials;

12 (4) development and operation of cooperative edu-
13 cation programs involving alternate periods of academic
14 study and business or public employment;

15 (5) joint use of facilities such as libraries or labora-
16 tories, including necessary books, materials, and equip-
17 ment; and

18 (6) other arrangements which offer promise of
19 strengthening the academic programs of developing in-
20 stitutions.

21 (b) A grant may be made under this section only upon
22 application to the Commissioner at such time or times and
23 containing such information as he deems necessary. The
24 Commissioner shall not approve an application unless it—

25 (1) sets forth a program for carrying out one or

1 more projects or activities which meet the requirements
2 of subsection (a) and provides for such methods of ad-
3 ministration as are necessary for the proper and efficient
4 operation of the program;

5 (2) sets forth policies and procedures which assure
6 that Federal funds made available under this section
7 for any fiscal year will be so used as to supplement and,
8 to the extent practical, increase the level of funds that
9 would, in the absence of such Federal funds, be made
10 available for purposes which meet the requirements of
11 subsection (a), and in no case supplant such funds;

12 (3) provides for such fiscal control and fund ac-
13 counting procedures as may be necessary to assure
14 proper disbursement of and accounting for Federal funds
15 paid to the applicant under this section; and

16 (4) provides for making such reports, in such form
17 and containing such information, as the Commissioner
18 may require to carry out his functions under this title,
19 and for keeping such records and for affording such
20 access thereto as the Commissioner may find necessary
21 to assure the corrections and verification of such reports.

22 (c) The Commissioner shall, after consultation with
23 the Council, establish criteria as to eligible expenditures for
24 which grants made under this section may be used, which
25 criteria shall be so designed as to prevent the use of such

1 grants for expenditures not necessary to the achievement of
2 the purposes of this part.

3 NATIONAL TEACHING FELLOWSHIPS

4 SEC. 305. (a) The Commissioner is authorized to award
5 fellowships under this section to highly qualified graduate
6 students and junior members of the faculty of colleges and
7 universities, to encourage such individuals to teach at de-
8 veloping institutions. The Commissioner shall award a fel-
9 lowship to an individual for teaching at a developing institu-
10 tion only upon application by an institution approved for this
11 purpose by the Commissioner and only upon a finding by the
12 Commissioner that the program of teaching set forth in the
13 application is reasonable in the light of the qualifications of
14 the teaching fellow and of the educational needs of the
15 applicant.

16 (b) Fellowships may be awarded under this section for
17 such period of teaching as the Commissioner may determine,
18 but such period shall not exceed two academic years or ex-
19 tend beyond June 30, 1970. Each person awarded a fel-
20 lowship under the provisions of this section shall receive a
21 stipend for each academic year of teaching of not more than
22 \$6,500 as determined by the Commissioner upon the advice
23 of the Council, plus an additional amount of \$400 for each
24 such year for each of his dependents.

1 TITLE IV—STUDENT ASSISTANCE

2 PART A—EDUCATIONAL OPPORTUNITY GRANTS

3 AUTHORIZATION OF APPROPRIATIONS

4 SEC. 401. (a) The first sentence of section 201 of the
5 National Defense Education Act of 1958 is amended (1) by
6 inserting after “low-interest loans” the following: “and (ex-
7 cept in the case of a school which does not meet the require-
8 ments of section 103 (b) (5)) initial year awards of educational
9 opportunity grants”, (2) by striking out “\$179,300,000”
10 and inserting in lieu thereof “\$253,300,000”, (3) by strik-
11 ing out “\$190,000,000” and inserting in lieu thereof “\$266,-
12 600,000”, and (4) by striking out “\$195,000,000” and
13 inserting in lieu thereof “\$280,000,000”.

14 (b) Such section is further amended by inserting after
15 the first sentence thereof the following new sentence: “There
16 are further authorized to be appropriated for the fiscal year
17 ending June 30, 1967, and each of the six succeeding fiscal
18 years, such sums as may be necessary to make contributions
19 to student loan funds equal to the amount necessary to enable
20 institutions of higher education to make educational oppor-
21 tunity grants provided for under section 206 to students for
22 academic years other than the initial year for which they are
23 awarded the grant.”

1 ALLOTMENTS

2 SEC. 402. Subsections (a) and (b) of section 202 of
3 such Act are each amended by inserting after “pursuant to”
4 the following: “the first sentence of”.

5 FEDERAL CAPITAL CONTRIBUTIONS

6 SEC. 403. (a) The first and second sentences of section
7 203 of such Act are amended by inserting after "allotment of
8 such State" each time it appears the following: "under sec-
9 tion 202".

(b) Such section is further amended by designating the first three sentences thereof as subsection (a), by designating the fourth sentence thereof as subsection (c) and by inserting after subsection (a) the following new subsection:

14 “(b) From the sums appropriated pursuant to the au-
15 thorization contained in the second sentence of section 201
16 for a fiscal year, the Commissioner shall make a capital
17 contribution to each institution with which he has an agree-
18 ment under this title equal to the amount such institution
19 determines that it needs in order to make educational op-
20 portunity grants, as provided in this title, to students who
21 have received such a grant for one or more preceding aca-
22 demic years, except that, if the sums so appropriated are
23 less than the amount necessary to enable all such institutions
24 to receive the amount they determine they need for such
25 grants, the Commissioner shall reduce the amount of each

1 institution's capital contribution under this subsection pro
2 rata."

3 CONDITIONS OF AGREEMENTS

4 SEC. 404. (a) Clause (B) of paragraph (2) of section
5 204 of such Act is amended to read as follows: "(B) an
6 amount, contributed by such institution, equal to not less
7 than one-ninth of 75 per centum of the Federal capital con-
8 tributions made under section 203 (a),".

9 (b) Paragraph (3) of such section is amended by
10 inserting after "only for loans" the following: "and (except
11 in the case of a school which does not meet the requirements
12 of section 103 (b) (5)) educational opportunity grants".

13 (c) Section 204 is further amended by inserting "(a)"
14 after "SEC. 204." and by adding at the end thereof the fol-
15 lowing new subsection:

16 "(b) Where an institution uses funds under this title
17 for the awarding of educational opportunity grants such
18 agreement shall—

19 "(1) provide that educational opportunity grants
20 will be made only in accordance with section 206 to
21 students who are or will be pursuing their course of study
22 on a full-time basis,

23 "(2) provide that the institution, in cooperation
24 with other institutions of higher education where appro-
25 priate, will make vigorous efforts to identify qualified

1 youths of exceptional financial need and to encourage
2 them to continue their education beyond secondary school
3 through programs and activities such as—

4 “(A) establishing or strengthening close work-
5 ing relationships with secondary school principals
6 and guidance and counseling personnel with a view
7 toward motivating students to complete secondary
8 school and pursue post-secondary-school educational
9 opportunities, and

10 “(B) making, to the extent feasible, condi-
11 tional commitments for educational opportunity
12 grants to qualified secondary school students with
13 special emphasis on students enrolled in grade 11 or
14 lower grades who show evidences of academic or
15 creative promise;

16 “(3) provide assurance that the institution will
17 continue to spend in its own scholarship and student aid
18 program, from sources other than funds received under
19 this title, not less than the average expenditure per year
20 made for that purpose during the most recent period of
21 three fiscal years preceding the first fiscal year during
22 which grants are to be made under the agreement.”

23 EDUCATIONAL OPPORTUNITY GRANTS

24 SEC. 405. Title II of such Act is amended by redesignig-
25 nating sections 206, 207, 208, and 209 as sections 209, 210,

1 211, and 212, respectively, and by inserting after section
2 205 the following new sections:

3 “EDUCATIONAL OPPORTUNITY GRANTS

4 “SEC. 206. (a) Educational opportunity grants made
5 by institutions of higher education from student loan funds
6 established pursuant to an agreement under this title shall be
7 made only to students who the institution of higher education
8 determines (1) show evidence of academic or creative prom-
9 ise and capability of maintaining good standing in their
10 course of study, (2) are of exceptional financial need,
11 (3) are eligible for a loan from such fund, and (4) would
12 not, but for an educational opportunity grant, be financially
13 able to pursue a course of study at such institution of higher
14 education.

15 “(b) The duration of an educational opportunity grant
16 awarded under this title shall be the period required for
17 completion by the recipient of his undergraduate course of
18 study at the institution of higher education from which he
19 received the grant award, except that such period shall not
20 exceed four academic years, less any such period with re-
21 spect to which the recipient has previously received pay-
22 ments under this title pursuant to a prior educational oppor-
23 tunity grant (whether made by the same or another in-
24 stitution).

1 “(c) An institution of higher education which awards
2 an educational opportunity grant to a student under this title
3 shall, for the duration of the educational opportunity grant,
4 pay to that student for each academic year during which he
5 is in need of grant assistance to pursue a course of study at
6 the institution, an amount determined by the institution for
7 such student with respect to that year, which amount shall not
8 exceed the lesser of \$800 or one-half of the sum of the
9 amount of student financial aid (including assistance under
10 this title, but excluding assistance from work-study pro-
11 grams) provided such student by such institution and any
12 assistance provided such student under any scholarship pro-
13 gram established by a State or a private institution or
14 organization, as determined in accordance with regulation
15 of the Commissioner. If the amount of the payment
16 determined under the preceding sentence for an academic
17 year is less than \$200 for a student, no payment shall
18 be made under this title to that student for that year. The
19 Commissioner shall, subject to the foregoing limitations, pre-
20 scribe for the guidance of participating institutions basic
21 criteria or schedules (or both) for the determination of the
22 amount of any such educational opportunity grant, taking
23 into account the objective of limiting grant aid under this
24 title to students of exceptional financial need and such other

1 factors, including the number of dependents in the family,
2 as the Commissioner may deem relevant.

3 "LIMITATIONS ON GRANTS

4 "SEC. 207. The aggregate amount of educational oppor-
5 tunity grants made by an institution of higher education in
6 a fiscal year to undergraduate students who have not received
7 such a grant for any preceding fiscal year may not exceed
8 25 per centum of the Federal capital contribution made to
9 the student loan fund for that fiscal year from funds allotted
10 to such State under the first sentence of section 202 (a) or
11 reallotted to such State under the third sentence of section
12 203 (a).

13 "CONTRACTS TO ENCOURAGE FULL UTILIZATION OF EDU-
14 CATIONAL TALENT

15 "SEC. 208. (a) To assist in achieving the purposes of
16 this title the Commissioner is authorized (without regard to
17 section 3709 of the Revised Statutes (41 U.S.C. 5)), to
18 enter into contracts, not to exceed \$100,000 per contract per
19 year, with State and local educational agencies and other
20 public or nonprofit organizations and institutions for the
21 purpose of—

22 "(1) identifying qualified youths of exceptional
23 financial need and encouraging them to complete second-

1 ary school and undertake postsecondary educational
2 training,

3 “(2) publicizing existing forms of student financial
4 aid, including aid furnished under this title, or

5 “(3) encouraging secondary school or college drop-
6 outs of demonstrated aptitude to reenter educational
7 programs, including postsecondary school programs.

8 “(b) There are hereby authorized to be appropriated
9 such sums as may be necessary to carry out this section.”

10 DISTRIBUTIONS FROM STUDENT LOAN FUNDS

11 SEC. 406. Section 209 of such Act (as redesignated by
12 section 405 of this Act) is amended by adding at the end
13 thereof the following new subsection:

14 “(d) In computing the amount of the Federal capital
15 contribution to a student loan fund for the purposes of this
16 section there shall be deducted from the Federal capital con-
17 tributions made to such fund under section 203 an amount
18 equal to the total of educational opportunity grants made
19 from such fund.”

20 AMENDMENTS TO DEFINITIONS

21 SEC. 407. (a) Section 103 (b) of such Act is amended
22 to read as follows:

23 “(b) The term ‘institution of higher education’ means
24 an educational institution in any State which (1) admits as

1 regular students only persons having a certificate of gradua-
2 tion from a school providing secondary education, or the
3 recognized equivalent of such certificate, (2) is legally
4 authorized within such State to provide a program of educa-
5 tion beyond secondary education, (3) provides an educa-
6 tional program for which it awards a bachelor's degree or
7 provides not less than a two-year program which is accept-
8 able for full credit toward such a degree, (4) is a public
9 or other nonprofit institution, and (5) is accredited by a
10 nationally recognized accrediting agency or association ap-
11 proved by the Commissioner for this purpose or, if not so
12 accredited, (A) is an institution with respect to which the
13 Commissioner has determined that there is satisfactory assur-
14 ance, considering the resources available to the institution,
15 the period of time, if any, during which it has operated, the
16 effort it is making to meet accreditation standards, and the
17 purpose for which this determination is being made, that the
18 institution will meet the accreditation standards of such an
19 agency or association within a reasonable time, or (B) is an
20 institution whose credits are accepted on transfer by not less
21 than three institutions which are so accredited, for credit on
22 the same basis as if transferred from an institution so ac-
23 credited. For purposes of title II, such term includes any

1 school of nursing as defined in subsection (1) of this section,
2 and also includes any school which provides not less than a
3 one-year program of training to prepare students for gainful
4 employment in a recognized occupation and which meets
5 the provisions of clauses (1), (2), (4), and (5). If the
6 Commissioner determines that a particular category of such
7 schools does not meet the requirements of clause (5) because
8 there is no nationally recognized accrediting agency or asso-
9 ciation qualified to accredit schools in such category, he shall,
10 pending the establishment of such an accrediting agency or
11 association, appoint an advisory committee, composed of per-
12 sons specially qualified to evaluate training provided by
13 schools in such category, which shall (i) prescribe the stand-
14 ards of content, scope, and quality which must be met in
15 order to qualify schools in such category to participate in the
16 student loan program under title II, and (ii) determine
17 whether particular schools not meeting the requirements of
18 clause (5) meet those standards. For purposes of this sub-
19 section, the Commission shall publish a list of nationally
20 recognized accrediting agencies which he determines to be
21 reliable authority as to the quality of training offered.”

1 PART B—FEDERAL, STATE, AND PRIVATE PROGRAMS OF
2 LOW-INTEREST INSURED LOANS TO STUDENTS IN IN-
3 STITUTIONS OF HIGHER EDUCATION

4 STATEMENT OF PURPOSE AND APPROPRIATIONS

5 AUTHORIZED

6 SEC. 421. (a) The purpose of this part is to enable
7 the Commissioner (1) to encourage States and nonprofit
8 private institutions and organizations to establish adequate
9 loan insurance programs for students in eligible institutions
10 (as defined in section 434), (2) to provide a Federal pro-
11 gram of student loan insurance for students who do not have
12 reasonable access to a State or private nonprofit program
13 of student loan insurance covered by an agreement under
14 section 428 (b), and (3) to pay a portion of the interest
15 on loans to qualified students which are made by a State
16 or which are insured under this part or under a program of a
17 State or of a nonprofit private institution or organization
18 which meets the requirements of section 428 (a) (1) (A).

19 (b) For the purpose of carrying out this part—

20 (1) there are authorized to be appropriated to the
21 student loan insurance fund (established by section 431)

1 (A) the sum of \$1,000,000, and (B) such further sums.
2 if any, as may become necessary for the adequacy of the
3 student loan insurance fund,

4 (2) there are authorized to be appropriated, for
5 payments under section 428 with respect to interest on
6 student loans, such sums for the fiscal year ending
7 June 30, 1966, and succeeding fiscal years, as may be
8 required therefor, and

9 (3) there are authorized to be appropriated the
10 sum of \$17,500,000 for making advances pursuant to
11 section 422 for the reserve funds of State and nonprofit
12 private student loan insurance programs.

13 Sums appropriated under clauses (1) and (2) of this sub-
14 section shall remain available until expended, and sums ap-
15 propriated under clause (3) of this subsection shall remain
16 available for advances under section 422 until the close of
17 the fiscal year ending June 30, 1968.

18 ADVANCES FOR RESERVE FUNDS OF STATE AND NONPROFIT

19 PRIVATE LOAN INSURANCE PROGRAMS

20 SEC. 422. (a) (1) From the sums appropriated pursu-
21 ant to clause (3) of section 421 (b), the Commissioner is
22 authorized to make advances to any State with which he
23 has made an agreement pursuant to section 428 (b) for the
24 purpose of helping to establish or strengthen the reserve fund
25 of the student loan insurance program covered by that agree-

1 ment. If for any of the fiscal years ending June 30, 1966,
2 June 30, 1967, or June 30, 1968, a State does not have a
3 student loan insurance program covered by an agreement
4 made pursuant to section 428 (b), and the Commissioner
5 determines after consultation with the chief executive officer
6 of that State that there is no reasonable likelihood that the
7 State will have such a student loan insurance program for
8 such year, the Commissioner may make advances for such
9 year for the same purpose to one or more nonprofit private
10 institutions or organizations with which he has made an
11 agreement pursuant to section 428 (b) in order to enable
12 students in that State to participate in a program of student
13 loan insurance covered by such an agreement. The Commis-
14 sioner may make advances under this subsection both to a
15 State program (with which he has such an agreement) and
16 to one or more nonprofit private institutions or organizations
17 (with which he has such an agreement) in that State if he
18 determines that such advances are necessary in order that
19 students at every eligible institution have access through such
20 institution to a student loan insurance program which meets
21 the requirements of section 428 (b) (1).

22 (2) Advances pursuant to this subsection shall be upon
23 such terms and conditions (including conditions relating to
24 the time or times of payment) consistent with the require-

1 ments of section 428 (b) as the Commissioner determines
2 will best carry out the purposes of this section. Advances
3 made by the Commissioner under this subsection shall be
4 repaid within such period as the Commissioner may deem to
5 be appropriate in each case in the light of the maturity and
6 solvency of the reserve fund for which the advance was
7 made.

8 (b) The total of the advances to any State pursuant to
9 subsection (a) may not exceed an amount which bears the
10 same ratio to $2\frac{1}{2}$ per centum of \$700,000,000 as the
11 population of that State aged eighteen to twenty-two,
12 inclusive, bears to the total population of all the States aged
13 eighteen to twenty-two, inclusive. If the amount so deter-
14 mined for any State, however, is less than \$25,000, it shall
15 be increased to \$25,000 and the total of the increases thereby
16 required shall be derived by proportionately reducing (but
17 not below \$25,000) the amount so determined for each of the
18 remaining States. Advances to nonprofit private institu-
19 tions and organizations pursuant to subsection (a) may be
20 in such amounts as the Commissioner determines will best
21 achieve the purposes for which they are made, except that
22 the sum of (1) advances to such institutions and organiza-
23 tions for the benefit of students in any State plus (2) the
24 amounts advanced to such State, may not exceed the maxi-
25 mum amount which may be advanced to that State pursuant

1 to the first two sentences of this subsection. For the pur-
2 poses of this subsection, the population aged eighteen to
3 twenty-two, inclusive, of each State and of all the States shall
4 be determined by the Commissioner on the basis of the most
5 recent satisfactory data available to him.

6 EFFECT OF ADEQUATE NON-FEDERAL PROGRAMS

7 SEC. 423. The Commissioner shall not issue certificates
8 of insurance under section 429 to lenders in a State if he
9 determines that every eligible institution has reasonable
10 access in that State to a State or private nonprofit student
11 loan insurance program which is covered by an agreement
12 under section 428 (b) .

13 SCOPE AND DURATION OF LOAN INSURANCE PROGRAM

14 SEC. 424. (a) The total principal amount of new loans
15 made and installments paid pursuant to lines of credit (as
16 defined in section 434) to students covered by insurance
17 under this part shall not exceed \$700,000,000 in the fiscal
18 year ending June 30, 1966, \$1,000,000,000 in the fiscal
19 year ending June 30, 1967, and \$1,400,000,000 in the fiscal
20 year ending June 30, 1968. Thereafter, insurance pur-
21 suant to this part may be granted only for loans made (or
22 for loan installments paid pursuant to lines of credit) to
23 enable students, who have obtained prior loans insured
24 under this part, to continue or complete their educational

1 program; but no insurance may be granted for any loan
2 made or installment paid after June 30, 1972.

3 (b) The Commissioner may, if he finds it necessary to
4 do so in order to assure an equitable distribution of the bene-
5 fits of this part, assign, within the maximum amounts speci-
6 fied in subsection (a), insurance quotas applicable to
7 eligible lenders, or to States or areas, and may from time
8 to time reassign unused portions of these quotas.

9 LIMITATIONS ON INDIVIDUAL LOANS AND ON INSURANCE

10 SEC. 425. (a) The total of the loans made to a student
11 in any academic year or its equivalent (as determined under
12 regulations of the Commissioner) which may be covered
13 by insurance under this part may not exceed \$1,500
14 in the case of a graduate or professional student (as defined
15 in regulations of the Commissioner), or \$1,000 in the case of
16 any other student. The aggregate insured unpaid principal
17 amount of all such insured loans made to any student shall
18 not at any time exceed \$7,500 in the case of any graduate
19 or professional student (as defined in regulations of the
20 Commissioner, and including any such insured loans made
21 to such person before he became a graduate or professional
22 student), or \$5,000 in the case of any other student. The
23 annual insurable limit per student shall not be deemed to be
24 exceeded by a line of credit under which actual payments

1 by the lender to the borrower will not be made in any year
2 in excess of the annual limit.

3 (b) The insurance liability on any loan insured under
4 this part shall be 100 per centum of the unpaid balance
5 of the principal amount of the loan. Such insurance liability
6 shall not include liability for interest whether or not that
7 interest has been added to the principal amount of the loan.

8 SOURCES OF FUNDS

9 SEC. 426. Loans made by eligible lenders in accord-
10 ance with this part shall be insurable whether made from
11 funds fully owned by the lender or from funds held by the
12 lender in a trust or similar capacity and available for such
13 loans.

14 ELIGIBILITY OF STUDENT BORROWERS AND TERMS OF
15 STUDENT LOANS

16 SEC. 427. (a) A loan by an eligible lender shall be
17 insurable under the provisions of this part only if—

18 (1) made to a student who (A) has been accepted
19 for enrollment at an eligible institution or, in the case
20 of a student already attending such institution, is in good
21 standing there as determined by the institution, and
22 (B) is carrying at least one-half of the normal full-time
23 workload as determined by the institution, and (C) has
24 provided the lender with a statement of the institution

1 which sets forth a schedule of the tuition and fees appli-
2 cable to that student and its estimate of the cost of board
3 and room for such a student; and

4 (2) evidenced by a note or other written agreement
5 which—

6 (A) is made without security and without en-
7 dorsement, except that if the borrower is a minor
8 and such note or other written agreement executed
9 by him would not, under the applicable law, create
10 a binding obligation, endorsement may be required,

11 (B) provides for repayment (except as pro-
12 vided in subsection (c)) of the principal amount of
13 the loan in installments over a period of not less
14 than five years (unless sooner repaid) nor more
15 than ten years beginning not earlier than six months
16 nor later than one year after the date on which the
17 student ceases to carry at an eligible institution at
18 least one-half the normal full-time academic work-
19 load as determined by the institution, except that
20 (i) the period of the loan may not exceed fifteen
21 years from the execution of the note or written
22 agreement evidencing it and (ii) the note or other
23 written instrument may contain such provisions re-
24 lating to repayment in the event of default in the
25 payment of interest or in the payment of the cost

1 of insurance premiums, or other default by the
2 borrower, as may be authorized by regulations of
3 the Commissioner in effect at the time the loan is
4 made,

5 (C) provides for interest on the unpaid princi-
6 pal balance of the loan at a yearly rate, not exceed-
7 ing the applicable maximum rate prescribed and
8 defined by the Secretary (within the limits set forth
9 in subsection (b)) on a national, regional, or other
10 appropriate basis, which interest shall be payable in
11 installments over the period of the loan except that,
12 if provided in the note or other written agreement,
13 any interest payable by the student may be deferred
14 until not later than the date upon which repayment
15 of the first installment of principal falls due, in which
16 case interest that has so accrued during that period
17 may be added on that date to the principal (but
18 without thereby increasing the insurance liability
19 under this part),

20 (D) provides that the lender will not collect or
21 attempt to collect from the borrower any portion of
22 the interest on the note which is payable by the
23 Commissioner under this part,

24 (E) entitles the student borrower to accelerate

1 without penalty repayment of the whole or any
2 part of the loan, and

3 (F) contains such other terms and conditions,
4 consistent with the provisions of this part and with
5 the regulations issued by the Commissioner pur-
6 suant to this part, as may be agreed upon by the
7 parties to such loan, including, if agreed upon, a pro-
8 vision requiring the borrower to pay to the lender, in
9 addition to principal and interest, amounts equal to
10 the insurance premiums payable by the lender to
11 the Commissioner with respect to such loan.

12 (b) No maximum rate of interest prescribed and de-
13 fined by the Secretary for the purposes of clause (2) (C)
14 of subsection (a) may exceed 6 per centum per annum on
15 the unpaid principal balance of the loan, except that under
16 circumstances which threaten to impede the carrying out of
17 the purposes of this part, one or more of such maximum
18 rates of interest may be as high as 7 per centum per annum
19 on the unpaid principal balance of the loan.

20 (c) The total of the payments by a borrower during
21 any year of any repayment period with respect to the aggre-
22 gate amount of all loans to that borrower which are insured
23 under this part shall not be less than \$360 or the balance
24 of all of such loans (together with interest thereon), which-
25 ever amount is less.

1 FEDERAL PAYMENTS TO REDUCE STUDENT INTEREST COSTS

2 SEC. 428. (a) (1) Each student who has received a
3 loan—

4 (A) which is insured under this part;

5 (B) which was made for study at an eligible insti-
6 tution under a State student loan program (meeting cri-
7 teria prescribed by the Commissioner), and which was
8 contracted for, and paid to the student, within the period
9 specified by paragraph (4); or

10 (C) which is insured under a program of a State
11 or of a nonprofit private institution or organization,
12 which was contracted for, and paid to the student, within
13 the period specified in paragraph (4), and which—

14 (i) in the case of a loan insured prior to July
15 1, 1967, was made by an eligible lender and is
16 insured under a program which meets the require-
17 ments of subparagraph (E) of subsection (b) (1)
18 and provides that repayment of such loan shall be
19 in installments beginning not earlier than sixty days
20 after the student ceases to pursue a course of study
21 (as described in subparagraph (D) of subsection
22 (b) (1)) at an eligible institution, or

23 (ii) in the case of a loan insured after June
24 30, 1967, is insured under a program covered by
25 an agreement made pursuant to subsection (b),

1 and whose adjusted family income is less than \$15,000 at the
2 time of execution of the note or written agreement evidencing
3 such loan, shall be entitled to have paid on his behalf and for
4 his account to the holder of the loan, over the period of the
5 loan, a portion of the interest on the loan. For the purposes
6 of this paragraph, the adjusted family income of a student
7 shall be determined pursuant to regulations of the Commis-
8 sioner in effect at the time of the execution of the note or
9 written agreement evidencing the loan. Such regulations
10 shall provide for taking into account such factors, including
11 family size, as the Commissioner deems appropriate.

12 (2) The portion of the interest on a loan which a stu-
13 dent is entitled to have paid on his behalf and for his account
14 to the holder of the loan pursuant to paragraph (1) shall be
15 equal to the total amount of the interest on the unpaid prin-
16 cipal amount of the loan which accrues prior to the beginning
17 of the repayment period of the loan, and 3 per centum per
18 annum of the unpaid principal amount of the loan (excluding
19 interest which has been added to principal) thereafter; but
20 such portion of the interest on a loan shall not exceed, for any
21 period, the amount of the interest on that loan which is pay-
22 able by the student after taking into consideration the
23 amount of any interest on that loan which the student is
24 entitled to have paid on his behalf for that period under any
25 State or private loan insurance program. In the absence of

1 fraud by the lender, that determination shall be final so far
2 as the obligation of the Commissioner to pay a portion of the
3 interest on a loan is concerned. The holder of a loan with
4 respect to which payments are required to be made under
5 this section shall be deemed to have a contractual right,
6 as against the United States, to receive from the Com-
7 missioner the portion of interest which has been so deter-
8 mined. The Commissioner shall pay this portion of the inter-
9 est to the holder of the loan on behalf of and for the
10 account of the borrower at such times as may be specified in
11 regulations in force when the applicable agreement entered
12 into pursuant to subsection (b) was made, or if the loan was
13 made by a State or is insured under a program which is
14 not covered by such an agreement, at such times as may
15 be specified in regulations in force at the time the loan
16 was paid to the student.

17 (3) Each holder of a loan with respect to which pay-
18 ments of interest are required to be made by the Commis-
19 sioner shall submit to the Commissioner, at such time or
20 times and in such manner as he may prescribe, statements
21 containing such information as may be required by or pur-
22 suant to regulation for the purpose of enabling the Com-
23 missioner to determine the amount of the payment which he
24 must make with respect to that loan.

25 (4) The period referred to in subparagraphs (B) and

1 (C) of paragraph (1) of this subsection shall begin on the
2 date of enactment of this Act and end on June 30, 1968,
3 except that, in the case of a loan made or insured under a
4 student loan or loan insurance program, to enable a student
5 who has obtained a prior loan made or insured under such
6 program to continue his educational program, such period
7 shall end on June 30, 1972.

8 (5) No payment may be made under this section with
9 respect to the interest on a loan made from a student loan
10 fund established under title II of the National Defense
11 Education Act of 1958.

12 (b) (1) Any State or any nonprofit private institution
13 or organization may enter into an agreement with the Com-
14 missioner for the purpose of entitling students who receive
15 loans which are insured under a student loan insurance pro-
16 gram of that State, institution, or organization to have
17 made on their behalf payments equal to those provided for
18 in subsection (a) if the Commissioner determines that the
19 student loan insurance program—

20 (A) authorizes the insurance of not less than
21 \$1,000 nor more than \$1,500 in loans to any individual
22 student in any academic year or its equivalent (as de-
23 termined under regulations of the Commissioner) ;

24 (B) authorizes the insurance of loans to any in-
25 dividual student for at least six academic years of study

1 or their equivalent (as determined under regulations
2 of the Commissioner) ;

3 (C) provides that (i) the student borrower shall
4 be entitled to accelerate without penalty the whole or
5 any part of an insured loan, (ii) the period of any
6 insured loan may not exceed fifteen years from the date
7 of execution of the note or other written evidence of the
8 loan, and (iii) the note or other written evidence of
9 any loan may contain such provisions relating to repay-
10 ment in the event of default by the borrower as may be
11 authorized by regulations of the Commissioner in effect
12 at the time such note or written evidence was executed;

13 (D) subject to subparagraph (C), provides that,
14 where the total of the insured loans to any student which
15 are held by any one person exceeds \$2,000, repayment
16 of such loans shall be in installments over a period of not
17 less than five years nor more than ten years beginning
18 not earlier than six months nor later than one year after
19 the student ceases to pursue a full-time course of study at
20 an eligible institution, except that if the program pro-
21 vides for the insurance of loans for part-time study at
22 eligible institutions the program shall provide that such
23 repayment period shall begin not earlier than six months
24 nor later than one year after the student ceases to carry

1 at an eligible institution at least one-half the normal full-
2 time academic workload as determined by the institution;

3 (E) authorizes interest on the unpaid balance of
4 the loan at a yearly rate not in excess of 6 per centum
5 per annum on the unpaid principal balance of the loan
6 (exclusive of any premium for insurance which may be
7 passed on to the borrower) ;

8 (F) insures not less than 80 per centum of the
9 unpaid principal of loans insured under the program;

10 (G) does not provide for collection of an excessive
11 insurance premium;

12 (H) provides that the benefits of the loan in-
13 surance program will not be denied any student because
14 of his family income or lack of need if his adjusted
15 family income at the time the note or written agreement
16 is executed is less than \$15,000 (as determined pursuant
17 to the regulations of the Commissioner prescribed under
18 section 428 (a) (1)) ;

19 (I) provides that a student may obtain insurance
20 under the program for a loan for any year of study at
21 an eligible institution; and

22 (J) in the case of a State program, provides that
23 such State program is administered by a single State

1 agency, or by one or more nonprofit private institutions
2 or organizations under the supervision of a single State
3 agency.

4 (2) Such an agreement shall—

5 (A) provide that the holder of any such loan will
6 be required to submit to the Commissioner, at such time
7 or times and in such manner as he may prescribe, state-
8 ments containing such information as may be required
9 by or pursuant to regulation for the purpose of enabling
10 the Commissioner to determine the amount of the pay-
11 ment which he must make with respect to that loan;

12 (B) include such other provisions as may be neces-
13 sary to protect the financial interest of the United States
14 and promote the purposes of this part and as are agreed
15 to by the Commissioner and the State or private orga-
16 nization or institution; and

17 (C) provide for making such reports in such form
18 and containing such information as the Commissioner
19 may reasonably require to carry out his function under
20 this part and for keeping such records and for affording
21 such access thereto as the Commissioner may find neces-
22 sary to assure the correctness and verification of such
23 reports.

1	CERTIFICATES OF INSURANCE—EFFECTIVE DATE OF
2	INSURANCE

3 SEC. 429. (a) (1) If, upon application by an eligible
4 lender, made upon such form, containing such information,
5 and supported by such evidence as the Commissioner may
6 require, and otherwise in conformity with this section, the
7 Commissioner finds that the applicant has made a loan to
8 an eligible student which is insurable under the provisions of
9 this part, he may issue to the applicant a certificate of in-
10 surance covering the loan and setting forth the amount and
11 terms of the insurance.

(2) Insurance evidenced by a certificate of insurance pursuant to subsection (a) (1) shall become effective upon the date of issuance of the certificate, except that the Commissioner is authorized, in accordance with regulations, to issue commitments with respect to proposed loans, or with respect to lines (or proposed lines) of credit, submitted by eligible lenders, and in that event, upon compliance with subsection (a) (1) by the lender, the certificate of insurance may be issued effective as of the date when any loan, or any payment by the lender pursuant to a line of credit, to be covered by such insurance was made. Such insurance shall cease to be effective upon sixty days' default by the lender in the payment of any installment of the premiums payable pursuant to subsection (c).

1 (3) An application submitted pursuant to subsection
2 (a) (1) shall contain (A) an agreement by the applicant
3 to pay, in accordance with regulations, the premiums fixed by
4 the Commissioner pursuant to subsection (c), and (B) an
5 agreement by the applicant that if the loan is covered by
6 insurance the applicant will submit such supplementary re-
7 ports and statements during the effective period of the loan
8 agreement, upon such forms, at such times, and containing
9 such information as the Commissioner may prescribe by or
10 pursuant to regulation.

11 (b) (1) In lieu of requiring a separate insurance appli-
12 cation and issuing a separate certificate of insurance for
13 each student loan made by an eligible lender as provided in
14 subsection (a), the Commissioner may, in accordance with
15 regulations consistent with section 424, issue to any eligible
16 lender applying therefor a certificate of comprehensive in-
17 surance coverage which shall, without further action by
18 the Commissioner, insure all insurable loans made by that
19 lender, on or after the date of the certificate and before a
20 specified cutoff date, within the limits of an aggregate maxi-
21 mum amount stated in the certificate. Such regulations
22 may provide for conditioning such insurance, with respect
23 to any loan, upon compliance by the lender with such re-
24 quirements (to be stated or incorporated by reference in the
25 certificate) as in the Commissioner's judgment will best

1 achieve the purpose of this subsection while protecting the
2 financial interest of the United States and promoting the
3 objectives of this part, including (but not limited to) pro-
4 visions as to the reporting of such loans and information
5 relevant thereto to the Commissioner and as to the payment
6 of initial and other premiums and the effect of default there-
7 in, and including provision for confirmation by the Com-
8 missioner from time to time (through endorsement of the
9 certificate) of the coverage of specific new loans by such
10 certificate, which confirmation shall be incontestable by the
11 Commissioner in the absence of fraud or misrepresentation
12 of fact or patent error.

13 (2) If the holder of a certificate of comprehensive in-
14 surance issued under this subsection grants to a student a
15 line of credit extending beyond the cutoff date specified in
16 that certificate, loans or payments thereon made by the
17 holder after that date pursuant to the line of credit shall
18 not be deemed to be included in the coverage of that
19 certificate except as may be specifically provided therein;
20 but, subject to the limitations of section 424, the Com-
21 missioner may, in accordance with regulations, make com-
22 mitments to insure such future loans or payments, and
23 such commitments may be honored either as provided in
24 subsection (a) or by inclusion of such insurance in com-
25 prehensive coverage under this subsection for the period

1 or periods in which such future loans or payments are
2 made.

3 (c) The Commissioner shall, pursuant to regulations,
4 charge for insurance on each loan under this part a pre-
5 mium in an amount not to exceed one-fourth of 1 per
6 centum per year of the unpaid principal amount of such
7 loan (excluding interest added to principal), payable in
8 advance, at such time and in such manner as may be pre-
9 scribed by the Commissioner. Such regulations may provide
10 that such premium shall not be payable, or if paid shall
11 be refundable, with respect to any period after default in
12 the payment of principal or interest or after the borrower
13 has died or becomes totally and permanently disabled, if
14 (1) notice of such default or other event has been duly
15 given, and (2) request for payment of the loss insured
16 against has been made or the Commissioner has made such
17 payment on his own motion pursuant to section 430(a).

18 (d) The rights of an eligible lender arising under
19 insurance evidenced by a certificate of insurance issued to
20 it under this section may be assigned as security by such
21 lender only to another eligible lender, and subject to regula-
22 tion by the Commissioner.

23 (e) The consolidation of the obligations of two or more
24 insured loans obtained by a student borrower in any fiscal
25 year into a single obligation evidenced by a single instru-

1 ment of indebtedness shall not affect the insurance by the
2 United States. If the loans thus consolidated are covered
3 by separate certificates of insurance issued under subsection
4 (a), the Commissioner may upon surrender of the original
5 certificates issue a new certificate of insurance in accordance
6 with that subsection upon the consolidated obligation; if
7 they are covered by a single comprehensive certificate
8 issued under subsection (b), the Commissioner may amend
9 that certificate accordingly.

10 PROCEDURE ON DEFAULT, DEATH, OR DISABILITY OF
11 STUDENT

12 SEC. 430. (a) Upon default by the student borrower
13 on any loan covered by insurance pursuant to this title, or
14 upon the death of the student borrower or a finding by
15 the insurance beneficiary that the borrower has become
16 totally and permanently disabled (as determined in accord-
17 ance with regulations established by the Commissioner)
18 before the loan has been repaid in full, and prior to the
19 commencement of suit or other enforcement proceeding
20 upon security for that loan, the insurance beneficiary shall
21 promptly notify the Commissioner, and the Commissioner
22 shall if requested (at that time or after further collection
23 efforts) by the beneficiary, or may on his own motion, if the
24 insurance is still in effect, pay to the beneficiary the amount
25 of the loss sustained by the insured upon that loan as soon

1 as that amount has been determined. The “amount of the
2 loss” on any loan shall, for the purposes of this subsection
3 and subsection (b), be deemed to be an amount equal to
4 the unpaid balance of the principal amount of the loan.

5 (b) Upon payment by the Commissioner of the insured
6 portion of the loss pursuant to subsection (a), the United
7 States shall be subrogated to all of the rights of the holder of
8 the obligation upon the insured loan and shall be entitled to
9 an assignment of the note or other evidence of the insured
10 loan by the insurance beneficiary. If the net recovery made
11 by the Commissioner on a loan after deduction of the cost of
12 that recovery (including reasonable administrative costs)
13 exceeds the amount of the loss, the excess shall be paid over
14 to the insured.

15 (c) Nothing in this section or in this part shall be con-
16 strued to preclude any forbearance for the benefit of the stu-
17 dent borrower which may be agreed upon by the parties to
18 the insured loan and approved by the Commissioner, or to
19 preclude forbearance by the Commissioner in the enforce-
20 ment of the insured obligation after payment on that insur-
21 ance, or to require collection of the amount of any loan by
22 the insurance beneficiary or by the Commissioner from the
23 estate of a deceased borrower or from a borrower found by
24 the insurance beneficiary to have become permanently and
25 totally disabled.

1 (d) Nothing in this section or in this part shall be con-
2 strued to excuse the holder of a loan from exercising reason-
3 able care and diligence in the making and collection of loans
4 under the provisions of this part. If the Commissioner, after
5 reasonable notice and opportunity for hearing to an eligible
6 lender, finds that it has substantially failed to exercise such
7 care and diligence or to make the reports and statements re-
8 quired under section 428 (a) (3) and section 429 (a) (3),
9 or to pay the required insurance premiums, he shall dis-
10 qualify that lender for further insurance on loans granted
11 pursuant to this part until he is satisfied that its failure has
12 ceased and finds that there is reasonable assurance that the
13 lender will in the future exercise necessary care and diligence
14 or comply with such requirements, as the case may be.

15 (e) As used in this section—

16 (1) the term “insurance beneficiary” means the
17 insured or its authorized assignee in accordance with
18 section 429 (d) ; and

19 (2) the term “default” includes only such defaults
20 as have existed for (A) one hundred and twenty days
21 in the case of a loan which is repayable in monthly in-
22 stallments, or (B) one hundred and eighty days in the
23 case of a loan which is repayable in less frequent
24 installments.

INSURANCE FUND

1
2 SEC. 431. (a) There is hereby established a student
3 loan insurance fund (hereinafter in this section called the
4 “fund”) which shall be available without fiscal year limita-
5 tion to the Commissioner for making payments in connection
6 with the default of loans insured under this part. All
7 amounts received by the Commissioner as premium charges
8 for insurance and as receipts, earnings, or proceeds derived
9 from any claim or other assets acquired by the Commis-
10 sioner in connection with his operations under this part,
11 and any other moneys, property, or assets derived by the
12 Commissioner from his operations in connection with this
13 section, shall be deposited in the fund. All payments in
14 connection with the default of loans insured under this part
15 shall be paid from the fund. Moneys in the fund not needed
16 for current operations under this section may be invested
17 in bonds or other obligations guaranteed as to principal and
18 interest by the United States.

19 (b) If at any time the moneys in the fund are insuffi-
20 cient to make payments in connection with the default of any
21 loan insured under this part, the Commissioner is authorized
22 to issue to the Secretary of the Treasury notes or other ob-
23 ligations in such forms and denominations, bearing such ma-
24 turities, and subject to such terms and conditions as may be

1 prescribed by the Commissioner with the approval of the
2 Secretary of the Treasury. Such notes or other obligations
3 shall bear interest at a rate determined by the Secretary of
4 the Treasury, taking into consideration the current average
5 market yield on outstanding marketable obligations of the
6 United States of comparable maturities during the month
7 preceding the issuance of the notes or other obligations.
8 The Secretary of the Treasury is authorized and directed to
9 purchase any notes and other obligations issued hereunder
10 and for that purpose he is authorized to use as a public debt
11 transaction the proceeds from the sale of any securities issued
12 under the Second Liberty Bond Act, as amended, and the
13 purposes for which securities may be issued under that Act,
14 as amended, are extended to include any purchases of such
15 notes and obligations. The Secretary of the Treasury may
16 at any time sell any of the notes or other obligations ac-
17 quired by him under this subsection. All redemptions, pur-
18 chases, and sales by the Secretary of the Treasury of such
19 notes or other obligations shall be treated as public debt
20 transactions of the United States. Sums borrowed under
21 this subsection shall be deposited in the fund and redemption
22 of such notes and obligations shall be made by the Commis-
23 sioner from such fund.

LEGAL POWERS AND RESPONSIBILITIES

SEC. 432. (a) In the performance of, and with respect to, the functions, powers, and duties vested in him by this part, the Commissioner may—

(1) prescribe such regulations as may be necessary to carry out the purposes of this part;

(2) sue and be sued in any court of record of a State having general jurisdiction or in any district court of the United States, and such district courts shall have jurisdiction of civil actions arising under this part without regard to the amount in controversy, and any action instituted under this subsection by or against the Commissioner shall survive notwithstanding any change in the person occupying the office of Commissioner or any vacancy in that office; but no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against the Commissioner or property under his control, and nothing herein shall be construed to except litigation arising out of activities under this part from the application of sections 507 (b) and 2679 of title 28 of the United States Code and of section 367 of the Revised Statutes (5 U.S.C. 316) ;

(3) include in any contract for insurance such

1 terms, conditions, and covenants relating to repayment
2 of principal and payment of interest, relating to his ob-
3 ligations and rights and to those of eligible lenders, and
4 borrowers in case of default, and relating to such other
5 matters as the Commissioner determines to be necessary
6 to assure that the purposes of this part will be achieved;
7 and any term, condition, and covenant made pursuant
8 to this clause or any other provisions of this part may
9 be modified by the Commissioner if he determines that
10 modification is necessary to protect the financial interest
11 of the United States;

12 (4) subject to the specific limitations in this part,
13 consent to the modification, with respect to rate of inter-
14 est, time of payment of any installment of principal and
15 interest or any portion thereof, or any other provision
16 of any note or other instrument evidencing a loan which
17 has been insured under this part;

18 (5) enforce, pay, or compromise, any claim on, or
19 arising because of, any such insurance; and

20 (6) enforce, pay, compromise, waive, or release
21 any right, title, claim, lien, or demand, however ac-
22 quired, including any equity or any right or redemption.

23 (b) The Commissioner shall, with respect to the finan-
24 cial operations arising by reason of this part—

25 (1) prepare annually and submit a budget program

as provided for wholly owned Government corporations by the Government Corporation Control Act; and

(2) maintain with respect to insurance under this part an integral set of accounts, which shall be audited annually by the General Accounting Office in accordance with principles and procedures applicable to commercial corporate transactions, as provided by section 105 of the Government Corporation Control Act, except that the transactions of the Commissioner, including the settlement of insurance claims and of claims for payments pursuant to section 428, and transactions related thereto and vouchers approved by the Commissioner in connection with such transactions, shall be final and conclusive upon all accounting and other officers of the Government.

PARTICIPATION BY FEDERAL CREDIT UNIONS IN FEDERAL,
STATE, AND PRIVATE STUDENT LOAN INSURANCE
PROGRAMS

SEC. 433. Notwithstanding any other provision of law, Federal credit unions shall, pursuant to regulations of the Director of the Bureau of Federal Credit Unions, have power to make insured loans up to 10 per centum of their assets, to student members in accordance with the provisions of this part or in accordance with the provisions of any State or nonprofit private student loan insurance program with re-

1 spect to which there is in effect an agreement with the Com-
 2 missioner under section 428 (b).

3 DEFINITIONS FOR REDUCED-INTEREST STUDENT LOAN
 4 INSURANCE PROGRAM

5 SEC. 434. As used in this part:

6 (a) The term "eligible institution" means an institution
 7 described in the first sentence of section 701 (a).

8 (b) The term "eligible lender" means an eligible insti-
 9 tution, an agency or instrumentality of a State, or a financial
 10 or credit institution (including an insurance company)
 11 which is subject to examination and supervision by an
 12 agency of the United States or of any State.

13 (c) The term "line of credit" means an arrangement
 14 or agreement between the lender and the borrower whereby
 15 a loan is paid out by the lender to the borrower in annual
 16 installments, or whereby the lender agrees to make, in addi-
 17 tion to the initial loan, additional loans in subsequent years.

18 PART C—COLLEGE WORK-STUDY PROGRAM EXTENSION
 19 AND AMENDMENTS

20 TRANSFER OF AUTHORITY, AND OTHER AMENDMENTS

21 SEC. 441. Effective July 1, 1965, part C of title I of
 22 the Economic Opportunity Act of 1964 (Public Law 88-
 23 452) is amended as follows:

24 (1) By striking out "Director" in the first sentence
 25 of section 122 (a) and inserting in lieu thereof "Com-

1 missioner of Education (hereinafter in this part referred
2 to as the 'Commissioner') ", and by striking out "Direc-
3 tor" wherever that word appears in the other provisions
4 of such part C and inserting in lieu thereof "Commis-
5 sioner";

6 (2) By amending that part of section 121 that fol-
7 lows the section designation to read as follows: "The
8 purpose of this part is to stimulate and promote the part-
9 time employment of students, particularly students from
10 low-income families, in institutions of higher education
11 who are in need of the earnings from such employment
12 to pursue courses of study at such institutions.";

13 (3) By redesignating clauses (2), (3), and (4),
14 of paragraph (c) of section 124 as clauses (1), (2),
15 and (3), and by striking out so much of such paragraph
16 as precedes such redesignated clauses and inserting in
17 lieu thereof the following: "(c) provide that in the se-
18 lection of students for employment under such work-
19 study program preference shall be given to students
20 from low-income families and that employment under
21 such work-study program shall be furnished only to a
22 student who";

23 (4) By striking out "June 30, 1966," in paragraph
24 (f) of section 124 and inserting in lieu thereof "June 30,
25 1967,"; and

1 (5) By striking out “ (as defined by section 401 (f)
 2 of the Higher Education Facilities Act of 1963 (Public
 3 Law 88-204) ” in section 123 and inserting in lieu there-
 4 of “ (as defined by section 103 (b) of the National De-
 5 fense Education Act of 1958 for purposes of title II of
 6 that Act) ”.

7 APPROPRIATIONS AUTHORIZED

8 SEC. 442. There are authorized to be appropriated
 9 \$129,000,000 for the fiscal year ending June 30, 1966, and
 10 such sums as the Congress may hereafter authorize by law
 11 for each of the four succeeding years, to carry out the pur-
 12 poses of part C of title I of the Economic Opportunity Act of
 13 1964 (Public Law 88-452). Any sums which, prior to the
 14 enactment of this Act, were appropriated for carrying out
 15 such part C of that title for the fiscal year ending June 30,
 16 1966, or were allocated from an applicable appropriation for
 17 that purpose, and which have not been expended prior to the
 18 date of the enactment of this Act, shall be available to the
 19 Commissioner for carrying out such part C.

20 CONFORMING AMENDMENT

21 SEC. 443. Part D of title I of the Economic Oppor-
 22 tunity Act of 1964 (Public Law 88-452) is amended to
 23 read as follows:

24 “PART D—AUTHORIZATION OF APPROPRIATIONS

25 “SEC. 131. The Director shall carry out the programs

1 provided for in parts A and B of this title during the fiscal
2 year ending June 30, 1965, and each of the two succeeding
3 fiscal years, and he shall carry out the program provided for
4 in part C of this title during the fiscal year ending June 30,
5 1965. For this purpose there is hereby authorized to be
6 appropriated the sum of \$412,500,000 for the fiscal year
7 ending June 30, 1965; and for the fiscal year ending June
8 30, 1966, and the fiscal year ending June 30, 1967, such
9 sums may be appropriated as the Congress may hereafter
10 authorize by law.”

11 TITLE V—AMENDMENTS TO HIGHER EDUCATION
12 FACILITIES ACT OF 1963

13 AUTHORIZATION FOR CONSTRUCTION OF UNDERGRADUATE
14 FACILITIES

15 SEC. 501. The first sentence of section 101 (b) of the
16 Higher Education Facilities Act of 1963 is amended by strik-
17 ing out “and each of the two succeeding fiscal years” and
18 inserting in lieu thereof the following: “and for the succeed-
19 ing fiscal year; and the sum of \$460,000,000 for the fiscal
20 year ending June 30, 1966”.

21 PUBLIC JUNIOR COLLEGES AND TECHNICAL INSTITUTES

22 SEC. 502. (a) Section 105 (a) (2) of the Higher Edu-
23 cation Facilities Act of 1963 is amended by striking out
24 “other than a project for a public community college or pub-
25 lic technical institute”.

(b) Section 107 (b) of such Act is amended (1) by striking out “other than a project for a public community college or public technical institute”, and (2) by striking out “shall be 40 per centum” and inserting in lieu thereof “shall in no event exceed 40 per centum”.

6 (c) Section 401 (d) of the Higher Education Facilities
7 Act of 1963 is amended by inserting immediately before "40
8 per centum" the following: "a percentage (as determined
9 under the applicable State plan) not in excess of".

10 AUTHORIZATION FOR CONSTRUCTION OF GRADUATE
11 FACILITIES

12 SEC. 503. The second sentence of section 201 of the
13 Higher Education Facilities Act of 1963 is amended by
14 striking out “and the sum of \$60,000,000 each for the fiscal
15 year ending June 30, 1965, and the succeeding fiscal year”
16 and inserting in lieu thereof the following: “the sum of
17 \$60,000,000 for the fiscal year ending June 30, 1965, and
18 the sum of \$120,000,000 for the fiscal year ending June 30,
19 1966”.

20 DELETION OF CATEGORIES OF CONSTRUCTION

21 SEC. 504. Section 106 of the Higher Education Facili-
22 ties Act of 1963 is amended by striking out “ (1) in the case
23 of an institution of higher education other than a public com-
24 munity college or public technical institute, only if such
25 construction is limited to structures, or portions thereof,

1 especially designed for instruction or research in the natural
2 or physical sciences, mathematics, modern foreign languages,
3 or engineering, or for use as a library, and (2) ”.

4 TITLE VI—GENERAL PROVISIONS

5 DEFINITIONS

6 SEC. 601. As used in this Act—

7 (a) The term “institution of higher education” means
8 an educational institution in any State which (1) admits as
9 regular students only persons having a certificate of gradu-
10 ation from a school providing secondary education, or the
11 recognized equivalent of such certificate, (2) is legally au-
12 thorized within such State to provide a program of education
13 beyond secondary education, (3) provides an educational
14 program for which it awards a bachelor’s degree or provides
15 not less than a two-year program which is acceptable for
16 full credit toward such a degree, (4) is a public or other
17 nonprofit institution, and (5) is accredited by a nationally
18 recognized accrediting agency or association or, if not so
19 accredited, is an institution whose credits are accepted, on
20 transfer, by not less than three institutions which are so
21 accredited, for credit on the same basis as if transferred
22 from an institution so accredited. Such term also includes
23 any business school or technical institution which meets the
24 provisions of clauses (1), (2), (4), and (5). For pur-
25 poses of this subsection, the Commissioner shall publish a

1 list of nationally recognized accrediting agencies or associa-
2 tions which he determines to be reliable authority as to the
3 quality of training offered.

4 (b) The term "State" includes, in addition to the
5 several States of the Union, the Commonwealth of Puerto
6 Rico, the District of Columbia, Guam, American Samoa, and
7 the Virgin Islands.

8 (c) The term "nonprofit" as applied to a school,
9 agency, organization, or institution means a school, agency,
10 organization, or institution owned and operated by one or
11 more nonprofit corporations or associations no part of the
12 net earnings of which inures, or may lawfully inure, to the
13 benefit of any private shareholder or individual.

14 (d) The term "secondary school" means a school which
15 provides secondary education as determined under State law
16 except that it does not include any education provided be-
17 yond grade 12.

18 (e) The term "Secretary" means the Secretary of
19 Health, Education, and Welfare.

20 (f) The term "Commissioner" means the Commissioner
21 of Education.

22 METHOD OF PAYMENT

23 SEC. 602. Payments under this Act to any individual
24 or to any State or Federal agency, institution of higher edu-

1 cation, or any other organization, pursuant to a grant, loan,
2 or contract, may be made in installments, and in advance
3 or by way of reimbursement, and, in the case of grants or
4 loans, with necessary adjustments on account of overpay-
5 ments or underpayments.

6 FEDERAL ADMINISTRATION

7 SEC. 603. (a) The Commissioner is authorized to dele-
8 gate any of his functions under this Act, except the making
9 of regulations, to any officer or employee of the Office of
10 Education.

11 (b) In administering the titles of this Act for which
12 he is responsible, the Commissioner is authorized to utilize
13 the services and facilities of any agency of the Federal Gov-
14 ernment and of any other public or nonprofit agency or
15 institution, in accordance with agreements between the Sec-
16 retary and the head thereof.

17 FEDERAL CONTROL OF EDUCATION PROHIBITED

18 SEC. 604. Nothing contained in this Act or any other
19 Act shall be construed to authorize any department, agency,
20 officer, or employee of the United States to exercise any
21 direction, supervision, or control over the curriculum, pro-
22 gram of instruction, administration, or personnel of any
23 educational institution, or over the selection of library re-
24 sources by any educational institution; or the membership

1 practices or internal operations of any fraternal organiza-
2 tion, fraternity or sorority, any private club or any religious
3 organization of any institution of higher education.

Passed the House of Representatives August 26, 1965.

Attest:

RALPH R. ROBERTS,

Clerk.

AN ACT

To strengthen the educational resources of our colleges and universities and to provide financial assistance for students in post-secondary and higher education.

AUGUST 30, 1965

Read twice and referred to the Committee on Labor
and Public Welfare

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250
OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(FOR INFORMATION ONLY;
NOT TO BE QUOTED OR CITED)

Issued Sept. 1, 1965
For actions of Aug. 31, 1965
89th-1st; No. 160

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HIGHLIGHTS: House agreed to conference report on bill to establish Dept. of Housing and Urban Development. Rep. Langen criticized activities of sugar lobbyists. Sen. Metcalf expressed concern over farm income level in Mont.

SENATE

1. CLAIMS. The Judiciary Committee reported without amendment H. R. 5024, to provide for settlement of claims by Government personnel for damage to or loss of personal property incident to their service (S. Rept. 655). p. 21474
2. TRADE FAIRS. The Foreign Relations Committee voted to report (but did not actually report) S. 2167, to provide for U. S. participation in the HemisFair 1968 exposition to be held in San Antonio, Tex. p. 1863
3. EDUCATION. The Labor and Public Welfare Committee voted to report (but did not actually report) H. R. 9567, the proposed Higher Education Act of 1965. The "Daily Digest" states that the Committee "amended the bill by substituting therefor the text of an amended version of S. 600, companion bill." p. 1864

4. RECREATION. Received a Mich. Legislature resolution urging establishment of the Sleeping Bear Dunes National Recreation Area, Mich. p. 21474
5. INTERGOVERNMENTAL RELATIONS. Received a resolution of the National Legislative Conference favoring S. 561, the proposed Intergovernmental Cooperation Act of 1965. p. 21474
6. FARM PROGRAM. Sen. Carlson submitted an amendment to the farm bill which would "permit a man and wife who owned and operated land individually previous to their marriage to operate the previously owned land independently after marriage under the farm program." pp. 21476-7
7. FARM INCOME. Sen. Metcalf inserted a summary of the farm income and expenses of 99 Mont. farm operators which he called "disturbing" but noted that "had it not been for co-op refunds and agricultural program payments, most of the farmers would have been much worse off." p. 21513
8. VETERANS' AFFAIRS. Sen. Randolph commended and inserted the testimony of Sen. Yarborough in support of the cold war GI bill. pp. 21511-12
9. WATER RESOURCES. Sen. Kuchel commended and inserted the testimony of Calif.'s Attorney General Lynch and others in support of legislation to authorize the Lower Colorado River Basin Project. pp. 21531-39

HOUSE

10. HOUSING. Agreed to the conference report on H. R. 6927, to provide for the establishment of a Department of Housing and Urban Development (pp. 21545-7). This bill will now be sent to the President. The bill includes a provision directing the President to undertake studies of the organization of housing and urban development programs within the Federal Government and to provide Congress with the results of such studies together with recommendations regarding the possible transfer of functions and programs to or from the Department.
11. FORESTRY. The Agriculture Committee reported H. R. 10330, with amendment, to provide for the establishment of the Spruce Knob-Seneca Rocks National Recreation Area, W. Va. (H. Rept. 909), and H. R. 10366, without amendment, to provide for the establishment of the Mount Rogers National Recreation Area in the Jefferson National Forest, Va. (H. Rept. 910). p. 21626
12. RECLAMATION. The Interior and Insular Affairs Committee reported with amendment H. R. 4851, to make various amendments to the Small Reclamation Projects Act of 1956 (H. Rept. 894). p. 21626
13. AIR POLLUTION. The Interstate and Foreign Commerce Committee reported with amendment S. 306, to amend the Clean Air Act to require standards for controlling the emission of pollutants from motor vehicles and to establish a Federal Air Pollution Control Laboratory (H. Rept. 899). p. 21626
14. PERSONNEL; ORGANIZATION. The Judiciary Committee reported without amendment H. R. 10104, to enact title 5, U. S. Code, "Government Organization and Employees", codifying the general and permanent laws relating to the organization of the Federal Government and to its civilian employees (H. Rept. 901). p. 21626

Sept. 1, 1965

8. POVERTY. Rep. Hall objected to a unanimous consent request of Rep. Ford that Rep. Ayres be substituted for Rep. Goodell as a conferee on H. R. 8283, to expand the poverty program. pp. 21629-30
9. BEEF PRICES. Rep. Battin criticized the increases in retail prices of beef, particularly in restaurants, and contended that such increases were not caused entirely by the prices received by farmers and ranchers. p. 21679
10. FOREIGN AGRICULTURE. Rep. Derwinski inserted a statement critical of a report released by the Senate Foreign Relations Committee on economic conditions in Yugoslavia, including alleged praise for "Tito for abandoning collectivization in 1953." pp. 21677-8
11. FOREIGN TRADE. Rep. Dent inserted his recent address critical of the U. S. foreign trade agreements program. pp. 21682-3
12. LEGISLATIVE ACCOMPLISHMENTS. Rep. Multer inserted an editorial commending achievements in the President's domestic legislative program. p. 21712
13. EDUCATION. Rep. Hanna contended that there was lack of coordination among Federal agencies administering programs in the field of education. p. 21715
14. PERSONNEL. Rep. Nelsen charged that "the Civil Service Commission has largely ignored the pleas of some of us in Congress to act vigorously to protect the Federal work force being threatened increasingly by large-scale political wheeling and dealing." pp. 21674-5
15. OPINION POLL. Rep. Stratton inserted the results of a questionnaire in his district on various subjects, including the dairy program, wheat certificate plan, and water systems for communities. p. 21722
16. DATA PROCESSING. Received from GAO a report on "management of automatic data processing facilities in the Federal Government." p. 21724
17. COMMITTEE ASSIGNMENTS. Rep. Latta resigned as a member of the Government Operations Committee. p. 21656

SENATE - Sept 1, 1965

18. EDUCATION. Began debate on H. R. 9567, the proposed Higher Education Act of 1965 (pp. 21770-86, 21792-94). This bill had earlier been reported with amendment (S. Rept. 673) ~~(p. 21728)~~.
19. PERSONNEL. Passed without amendment S. 2393, to authorize an additional 100 supergrade positions (GS-16, GS-17, and GS-18) for allocation, with the approval of the President, for agencies or functions created or substantially expanded after June 30, 1965. pp. 21760-61
20. NOMINATION. Confirmed the nomination of Lawrence F. O'Brien to be Postmaster General. pp. 21742-43
21. WATERSHEDS. Received from the Budget Bureau plans for works of improvement on the following watersheds: Blue Eye Creek, Ala.; Beardsley, Calif.; Revolon, Calif.; Mill Creek, Ind.; Mosquito of Harrison, Iowa; Turkey Creek, Kans.; Little Delaware-Mission Creek and tributaries, Kans.; Lower Bayou Teche, La.;

Back Swamp, N.C.; Margaret Creek, Ohio; Rock Creek, Okla.; Escondido Creek, Tex.; and Williams Creek, Tex.; to Agriculture and Forestry Committee. Upper Choptank River, Del. and Md.; Little Raccoon Creek, Ind.; Timber Creek, Kans.; Tamarac, Minn.; Quapaw, Okla.; Duck Creek, Tex.; and Cherrystone, Va.; to Public Works Committee. p. 21728

22. FEDERAL EXPENDITURES. Received from the Joint Committee on Reduction of Non-essential Federal Expenditures a report on Federal employment and pay for July 1965. pp. 21728-32
23. FOREIGN TRADE. Sen. Symington stated that one way to help solve the balance of payments problem "would be to follow the precedent set by many other countries of the free world...and sell wheat for gold to customers behind the Iron Curtain." and inserted several supporting articles. pp. 21734-5
24. NATURAL RESOURCES. Sen. Moss inserted several articles expressing support of his bill for the establishment of a Department of Natural Resources. pp. 21744-48

ITEMS IN APPENDIX

25. OPINION POLL. Extension of remarks of Rep. McVicker discussing results of his questionnaire, and stating that the "response on the agricultural program illuminates the perplexity of so many of us attempting to grapple with this problem." pp. A4933-4
26. DATA PROCESSING; LEGISLATION. Rep. Gibbons inserted an article, "Computers and Legislation", dealing with the experience of the Florida Legislature in adapting modern electronic tools to our legislative process. pp. A4936-7
27. TRANSPORTATION. Extension of remarks of Rep. Garmatz favoring the maintenance of an adequate merchant marine and inserting an article on this subject. pp. A4939-40
28. POVERTY. Extension of remarks of Rep. Powell stating that "there have been some rather fine accomplishments through the poverty legislation" and that the basic worth of this legislation has been realized. pp. A4943-4
29. RECREATION; WILDERNESS. Rep. Wilson, Calif., inserted the second in a series of articles on the proposed recreational development of the San Geronio Wilderness Area, "J. F. K. and a Mountain", in which the author of the article refers to a visit with Secretary Freeman regarding this subject. pp. A4946-7
30. WATER RESOURCES. Extension of remarks of Rep. Horton stressing the need for water pollution abatement and inserted an article, "Fight for Clean Water." p. A4949
Rep. Miller inserted an address by Gov. Brown, Calif., "Vision, Wisdom and Water." pp. A4955-7
31. FARM LABOR. Extension of remarks of Rep. Talcott stating that the "A-team program was generally a flop--almost totally unsuccessful" and that the "Department of Labor did not understand specialty agriculture in California, nor the labor problem, nor kids." pp. A4949-50

Thus, we are taking an action with the wrong committee, insofar as revenues are concerned, even within the Senate, not speaking of the fact that it comes from the wrong House.

I appreciate the Senator from Rhode Island yielding to me so that I may make these points, which I believe are important. They should be included in the RECORD. All Senators should know that the action taken in the Senate today may easily result in the inevitable defeat of the bill, if the Senate is refusing to move, and if the House will refuse to move—as I am sure it will.

AMENDMENT NO. 388

Mr. HARTKE. Mr. President, I call up my amendment No. 388, and ask unanimous consent that the reading of the amendment be dispensed with, but that it be printed in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered; and the amendment will be printed in the RECORD at this point.

The amendment is as follows:

On page 1, line 8, strike out "Sec. 2. This Act" and insert "(b) This section".

At the end of the bill, add the following:

"TITLE III COVERAGE OF TIPS

"Sec. 301. (a) (1) Subsection (a) of section 3202 of the Internal Revenue Code of 1954 (relating to deduction of tax from compensation) is amended by adding at the end thereof the following new sentence: 'An employer who is furnished by an employee a written statement of tips (received in a calendar month) pursuant to section 6053(a) to which paragraph (3)(B) of section 3231 (e) is applicable may deduct an amount equivalent to such tax with respect to such tips from any compensation of the employee (exclusive of tips) under his control, even though at the time such statement is furnished the total amount of the tips included in statements furnished to the employer as having been received by the employee in such calendar month in the course of his employment by such employer is less than \$20.'

"(2) Such section 3202 is amended by adding at the end thereof the following new subsection:

"SPECIAL RULE FOR TIPS.—

"(1) In the case of tips which constitute compensation, subsection (a) shall be applicable only to such tips as are included in a written statement furnished to the employer pursuant to section 6053(a), and only to the extent that collection can be made by the employer, at or after the time such statement is so furnished and before the close of the 10th day following the calendar month (or, if paragraph (3) applies, the 30th day following the quarter) in which the tips were deemed paid, by deducting the amount of the tax from such compensation of the employee (excluding tips, but including funds turned over by the employee to the employer pursuant to paragraph (2) as are under control of the employer.

"(2) If the tax imposed by section 3201, with respect to tips which are included in written statements furnished in any month to the employer pursuant to section 6053(a), exceeds the compensation of the employee (excluding tips) from which the employer is required to collect the tax under paragraph (1), the employee may furnish to the employer on or before the 10th day of the following month (or, if paragraph (3) applies, on or before the 30th day of the following quarter) an amount of money equal to the amount of the excess.

"(3) The Secretary or his delegate may, under regulations prescribed by him, authorize employers—

"(A) to estimate the amount of tips that will be reported by the employee pursuant to section 6053(a) in any quarter of the calendar year,

"(B) to determine the amount to be deducted upon each payment of compensation (exclusive of tips) during such quarter as if the tips so estimated constituted actual tips so reported, and

"(C) to deduct upon any payment of compensation (other than tips, but including funds turned over by the employee to the employer pursuant to paragraph (2) to such employee during such quarter (and within 30 days thereafter) such amount as may be necessary to adjust the amount actually deducted upon such compensation of the employee during the quarter to the amount required to be deducted in respect of tips included in written statements furnished to the employer during the quarter.

"(4) If the tax imposed by section 3201 with respect to tips which constitute compensation exceeds the portion of such tax which can be collected by the employer from the compensation of the employee pursuant to paragraph (1) or paragraph (3), such excess shall be paid by the employee."

"(b) (1) The second sentence of subsection (e) (1) of section 3231 of the Internal Revenue Code of 1954 (relating to definition of compensation for purposes of the Railroad Retirement Tax Act) is amended by inserting '(except as is provided under paragraph (3))' after 'tips'.

"(2) Subsection (e) of such section 3231 is further amended by adding at the end thereof the following new paragraph:

"(3) Solely for purposes of the tax imposed by section 3201 and other provisions of this chapter insofar as they relate to such tax, the term "compensation" also includes cash tips received by an employee in any calendar month in the course of his employment by an employer unless the amount of such cash tips is less than \$20."

"(3) Such section 3231 is further amended by adding at the end thereof the following new subsection:

"(h) TIPS CONSTITUTING COMPENSATION, TIME DEEMED PAID.—For purposes of this chapter, tips which constitute compensation for purposes of the tax imposed under section 3201 shall be deemed to be paid at the time a written statement including such tips is furnished to the employer pursuant to section 6053(a) or (if no statement including such tips is so furnished) at the time received."

"(c) Section 3402(k) of such Code is amended (A) by inserting 'or section 3202(c) (2)' after 'section 3102(c) (2)' wherever it appears therein and (B) by inserting 'or section 3202(a)' after 'section 3102(a)' wherever it appears therein.

"(d) Section 6053(b) of such Code (relating to reporting of tips) is amended (1) by inserting 'or section 3201 (as the case may be)' after 'section 3101', and (2) by inserting 'or section 3202 (as the case may be)' after 'section 3102'.

"(e) Section 6652(c) of such Code (relating to failure to report tips) is amended (1) by inserting 'or which are compensation (as defined in section 3231(e))' after 'which are wages (as defined in section 3121(a))', and (2) by inserting 'or section 3201 (as the case may be)' after 'section 3101'.

"(f) (1) Subsection (h) of section 1 of the Railroad Retirement Act of 1937 is amended (A) by inserting '(1)' after '(h)', (B) by inserting in the second sentence thereof '(except as is provided under paragraph (2))' after 'tips', and (C) by adding at the end thereof the following new paragraphs:

"(2) Solely for purposes of determining amounts to be included in the compensation of an individual who is an employee (as defined in subsection (b)) the term "compensation" shall (subject to section 3(c)) also

include cash tips received by an employee in any calendar month in the course of his employment by an employer unless the amount of such cash tips is less than \$20.

"(3) Tips included as compensation by reason of the provisions of paragraph (2) shall be deemed to be paid at the time a written statement including such tips is furnished to the employer pursuant to section 6053(a) of the Internal Revenue Code of 1954 or (if no statement including such tips is so furnished) at the time received."

"302. The amendments made by this title shall apply only with respect to tips received by employees after 1965."

Mr. HARTKE. Mr. President, this amendment is one which came to my attention as a need in order to maintain the parallels between social security and railroad retirement. It came to my attention too late for consideration by the committee in connection with H.R. 3157, but I believe it is a worthy change and one which is needed in the light of action taken in the Social Security Amendments Act. It does just one thing, namely, secures for tip employees of the railroads the same treatment of their tips for retirement purposes as that which is now accorded tip employees in the social security law. That is, it allows dining car employees, porters, and those relatively few employees of the railroads who receive tips to furnish the employer with a statement of those sums thus received in a calendar month. The employer then deducts the tax required, and the employee receives credit in his payments for the additional earnings represented by the tips. As in the case of the social security law, there is no payment made by the employer.

The numbers of persons thus affected is small in relation to total railroad employment, but for each of them the opportunity to count tips as wages for retirement purposes should be extended just as we have done to hotel and restaurant workers and others under social security.

I have talked with the Associate General Counsel of the Railroad Retirement Board, and he informs me that the Board has no objections. Neither do the railroad unions as represented by the Railway Labor Executives Association, and since the employers do not under this bill acquire additional financial obligations, I do not believe they have objections.

Consequently, Mr. President, I would like to ask that the committee accept this amendment, so that equity may be maintained in this small area of employment where tips are received.

Mr. PELL. Mr. President, I congratulate the Senator from Indiana on his amendment. It is excellent. I accept the amendment.

The amendment was agreed to.

The VICE PRESIDENT. The question is on agreeing to the committee amendment as amended.

Mr. MORSE. Mr. President, I ask for the yeas and nays on passage of the bill.

The yeas and nays were ordered.

The VICE PRESIDENT. The question is on agreeing to the committee amendment as amended.

The committee amendment, as amended, was agreed to.

The VICE PRESIDENT. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

The VICE PRESIDENT. The bill having been read the third time the question is, Shall it pass?

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. LONG of Louisiana. I announce that the Senator from Idaho [Mr. CHURCH], the Senator from Ohio [Mr. LAUSCHE], the Senator from Wyoming [Mr. McGEE], the Senator from Virginia [Mr. ROBERTSON], the Senator from Mississippi [Mr. STENNIS], and the Senator from Ohio [Mr. YOUNG] are absent on official business.

I also announce that the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. GORE], the Senator from New York [Mr. KENNEDY], and the Senator from Minnesota [Mr. MCCARTHY] are necessarily absent.

I further announce that, if present and voting, the Senator from Idaho [Mr. CHURCH], the Senator from New York [Mr. KENNEDY], the Senator from Ohio [Mr. LAUSCHE], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. GORE], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Wyoming [Mr. McGEE], the Senator from Virginia [Mr. ROBERTSON], the Senator from Mississippi [Mr. STENNIS], and the Senator from Ohio [Mr. YOUNG] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Kentucky [Mr. MORTON] and the Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent.

If present and voting, the Senator from Kentucky [Mr. MORTON] and the Senator from Massachusetts [Mr. SALTONSTALL] would each vote "yea."

The result was announced—yeas 88, nays 0, as follows:

[No. 247 Leg.]

YEAS—88

Aiken	Harris	Mundt
Allott	Hart	Murphy
Anderson	Hartke	Muskie
Bartlett	Hayden	Nelson
Bass	Hickenlooper	Neuberger
Bayh	Hill	Pastore
Bennett	Holland	Pearson
Bible	Hruska	Pell
Boggs	Inouye	Proxmire
Brewster	Jackson	Randolph
Burdick	Javits	Ribicoff
Byrd, Va.	Jordan, N.C.	Russell, S.C.
Byrd, W. Va.	Jordan, Idaho	Russell, Ga.
Cannon	Kennedy, Mass.	Scott
Carlson	Kuchel	Simpson
Case	Long, Mo.	Smith
Clark	Long, La.	Sparkman
Cooper	Magrison	Symington
Cotton	Mansfield	Talmadge
Curtis	McClellan	Thurmond
Dirksen	McGovern	Tower
Dodd	McIntyre	Tydings
Dominick	McNamara	Williams, N.J.
Douglas	Metcalfe	Williams, Del.
Eastland	Miller	Yarborough
Ellender	Mondale	Young, N. Dak.
Ervin	Monroney	
Fannin	Montoya	
Fong	Morse	
Gruening	Moss	

NAYS—0

NOT VOTING—12

Church	Lausche	Robertson
Fulbright	McCarthy	Saltonstall
Gore	McGee	Stennis
Kennedy, N.Y.	Morton	Young, Ohio

So the bill (H.R. 3157) was passed.

The title was amended, so as to read: "An act to amend the Railroad Retirement Act of 1937 to eliminate the provisions which reduce the annuities of the spouses of retired employees by the amount of certain monthly benefits, to amend the Railroad Retirement Tax Act and for other purposes."

Mr. PELL. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. MANSFIELD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HOLLAND. Mr. President, I voted for the bill which was just passed because, in common with all Senators, I believe it should have been passed, and I am in sympathy with the humanitarian objectives of the bill; but I want to make it very clear that if the amendment which was attached to this bill that would tend to make the Railroad Retirement Fund solvent is eliminated from the bill by the House and it comes back in that form without the revenue provisions which would allow the Railroad Retirement Fund to remain solvent, I shall vote against it.

Mr. PELL. I quite understand. I sympathize with the view of the Senator.

Mr. MANSFIELD. Mr. President, we have just completed action on H.R. 8469, a bill to amend the Railroad Retirement Act of 1937. The main and most spirited issue involved was the constitutional question raised by the junior Senator from Louisiana [Mr. LONG] by his point of order. I want to commend him and the junior Senator from Rhode Island [Mr. PELL] and the senior Senator from Oregon [Mr. MORSE] for the articulate presentations of their respective points of view. The junior Senator from Rhode Island [Mr. PELL] demonstrated not only his persuasiveness, but also his mastery of the constitutional questions involved and the parliamentary precedents as was evidenced by the vote sustaining his position.

Again the Senate has demonstrated that a thorough presentation of legislation can be accomplished in a relatively short period of time when a genuine spirit of cooperation exists.

For this I thank every Member of the Senate.

HIGHER EDUCATION ACT OF 1965

Mr. MOSS obtained the floor.

Mr. MANSFIELD. Mr. President, will the Senator from Utah yield?

Mr. MOSS. I yield.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of H.R. 9567, the higher education bill.

The VICE PRESIDENT. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 9567) to strengthen the educational resources of our colleges and universities and to provide financial assistance for students in postsecondary and higher education.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported by the Committee on Labor and Public Welfare with an amendment, to strike out all after the enacting clause and insert:

That this Act may be cited as the "Higher Education Act of 1965".

TITLE I—COLLEGE AND UNIVERSITY EXTENSION AND CONTINUING EDUCATION

Appropriations Authorized

SEC. 101. For the purpose of assisting the people of the United States in the solution of community problems such as housing, poverty, government, recreation, employment, youth opportunities, transportation, health, and land use by enabling the Commissioner to make grants and contracts under this title to strengthen continuing education and extension methods and teaching, and the public service resources, of colleges and universities, there are authorized to be appropriated \$25,000,000 for the fiscal year ending June 30, 1966, and \$50,000,000 for the fiscal year ending June 30, 1967, and for each of the three succeeding fiscal years.

Allotments to States

SEC. 102. (a) (1) From 80 per centum of the sums appropriated pursuant to section 101 for each fiscal year, the Commissioner shall allot \$25,000 each to Guam, American Samoa, and the Virgin Islands and \$100,000 to each of the other States, and he shall allot to each State an amount which bears the same ratio to the remainder of such 80 per centum of such sums as the population of the State bears to the population of all States.

(2) Twenty per centum of the sums appropriated pursuant to section 101 shall be reserved by the Commissioner for grants and contracts for experimental projects and for supplemental grants pursuant to section 106.

(b) The amount of any State's allotment under subsection (a) for any fiscal year which the Commissioner determines will not be required for such fiscal year for carrying out the State plan (if any) approved under this title shall be available for reallocation from time to time, on such dates during such year as the Commissioner may fix, to other States in proportion to the original allotments to such States under such subsection for such year, but with such proportionate amount for any of such States being reduced to the extent it exceeds the sum the Commissioner estimates such State needs and will be able to use for such year for carrying out the State plan; and the total of such reductions shall be similarly reallocated among the States whose proportionate amounts were not so reduced. Any amount reallocated to a State under this subsection during a year from funds appropriated pursuant to section 101 shall be deemed part of its allotment under subsection (a) for such year.

(c) In accordance with regulations of the Commissioner, any State may file with him a request that a specified portion of its allotment under this title be added to the allotment of another State under this title for the purpose of meeting a portion of the Federal share of the cost of providing extension or continuing education services or activities under this title. If it is found by the Commissioner that the services or activities with

respect to which the request is made would meet needs of the State making the request and that use of the specified portion of such State's allotment, as requested by it, would assist in carrying out the purposes of this title, such portion of such State's allotment shall be added to the allotment of the other State under this title to be used for the purpose referred to above.

(d) The population of a State and of all the States shall be determined by the Commissioner on the basis of the most recent satisfactory data available from the Department of Commerce.

Uses of Allotted Funds

SEC. 103. A State's allotment under section 102 may be used, in accordance with its State plan approved under section 104(b), to provide new, expanded, or improved extension and continuing education activities and services designed to assist particularly through new and advanced approaches, in the solution of rural and urban community problems.

State Plans

SEC. 104. (a) Any State desiring to receive its allotment of Federal funds under this title shall designate or create a State agency or institution which has special qualifications with respect to solving community problems and which is broadly representative of institutions of higher education in the State which are competent to offer extension or continuing education activities and services, and shall submit to the Commissioner through the agency or institution so designated a State plan. If a State desires to designate for the purposes of this section an existing State agency or institution which does not meet these requirements, it may do so if the agency or institution takes such action as may be necessary to acquire such qualifications and assure participation of such institutions, or if it designates or creates a State advisory council which meets the requirements not met by the designated agency or institution to consult with the designated agency or institution in the preparation of the State plan. A State plan submitted under this title shall be in such detail as the Commissioner deems necessary and shall—

(1) provide that the agency or institution so designated or created shall be the sole agency for administration of the plan or for supervision of the administration of the plan; and provide that such agency or institution shall consult with any State advisory council required to be created by this section with respect to policy matters arising in the administration of such plan;

(2) set forth a comprehensive, coordinated, and statewide program of extension and continuing education activities and services under which funds paid to the State (including funds paid to an institution pursuant to section 105(c)) under its allotments under section 102 will be expended solely for activities and services which meet the requirements of section 103 and which have been approved by the agency or institution administering the plan;

(3) set forth the policies and procedures to be followed in allocating Federal funds to institutions of higher education in the State, which policies and procedures shall insure that due consideration will be given—

(A) to the relative capacity and willingness of particular institutions of higher education (whether public or private) to provide effective extension or continuing education activities and services designed to assist communities in solving community problems;

(B) to the availability of and need for extension and continuing education activities and services among the population within the State; and

(C) to the results of periodic evaluations of the activities and services carried out

under this title in the light of information regarding current and anticipated community problems in the State;

(4) set forth policies and procedures designed to assure that Federal funds made available under this title will be so used as not to supplant State or local funds, or funds of institutions of higher education, but supplement them, and, to the extent practicable, increase the amounts of such funds that would in the absence of such Federal funds be made available for activities and services which meet the requirements of section 103;

(5) set forth such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the State (including such funds paid by the State or by the Commissioner to institutions of higher education) under this title; and

(6) provide for making such reports in such form and containing such information as the Commissioner may reasonably require to carry out his functions under this title, and for keeping such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports.

(b) The Commissioner shall approve any State plan and any modification thereof which complies with the provisions of subsection (a).

Payments

SEC. 105. (a) Except as provided in subsection (b), payment under this title shall be made to those State agencies and institutions which administer plans approved under section 104(b). Payments under this title from a State's allotment with respect to the cost of developing and carrying out its State plan shall equal 75 per centum of such costs for the fiscal year ending June 30, 1966, 75 per centum of such costs for the fiscal year ending June 30, 1967, and 50 per centum of such costs for each of the three succeeding fiscal years, except that no payments for any fiscal year shall be made to any State with respect to expenditures for developing and administering the State plan which exceed 5 per centum of the costs for that year for which payment under this subsection may be made to that State, or \$25,000, whichever is the greater.

(b) No payments shall be made to any State from its allotments for any fiscal year unless and until the Commissioner finds that the institutions of higher education which will participate in carrying out the State plan for that year will together have available during that year for expenditure from non-Federal sources for college and university extension and continuing education programs not less than the total amount actually expended by those institutions for university extension and continuing education programs from such sources during the fiscal year ending June 30, 1965, plus an amount equal to not less than the non-Federal share of the costs with respect to which payment pursuant to subsection (a) is sought. In determining the cost for any fiscal year of carrying out a university extension and continuing education program set forth in a State plan approved under section 104(b), and the amounts available for expenditure, or expended, therefor from State or other non-Federal sources, there shall be excluded any amounts the Commissioner determines have been or will be realized during that year by participating institutions from fees or other charges to persons benefiting from that program.

(c) Payments to a State under this title may be made in installments and in advance or by way of reimbursement with necessary adjustments on account of overpayments or underpayments, and they may be paid directly to the State or to one or more participating institutions of higher education designated for this purpose by the State, or to both.

Experimental Approaches and Supplemental Grants

SEC. 106. Twenty per centum of the sums appropriated pursuant to section 101 for each fiscal year shall be used by the Commissioner to make grants to or contracts with institutions of higher education to pay part of the cost of experimental approaches to extension and continuing education related to the solution of community problems as set forth in section 103, or, as may be determined by the Commissioner, for such augmentation of grants awarded under this title from allotted funds as may be desirable to advance the purposes of this title.

Administration of State Plans

SEC. 107. (a) The Commissioner shall not finally disapprove any State plan submitted under this title, or any modification thereof, without first affording the State agency or institution submitting the plan reasonable notice and opportunity for a hearing.

(b) Whenever the Commissioner, after reasonable notice and opportunity for hearing to the State agency or institution administering a State plan approved under section 104(b), finds that—

(1) the State plan has been so changed that it no longer complies with the provisions of section 104(a), or

(2) in the administration of the plan there is a failure to comply substantially with any such provision, the Commissioner shall notify the State agency or institution that the State will not be regarded as eligible to participate in the program under this title until he is satisfied that there is no longer any such failure to comply.

Judicial Review

SEC. 108. (a) If any State is dissatisfied with the Commissioner's final action with respect to the approval of its State plan submitted under section 104(a) or with his final action under section 107(b), such State may, within sixty days after notice of such action, file with the United States court of appeals for the circuit in which the State is located a petition for review of that action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Commissioner. The Commissioner thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code.

(b) The findings of fact by the Commissioner, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Commissioner to take further evidence, and the Commissioner may thereupon make new or modified findings of fact and may modify his previous action, and shall certify to the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

(c) The court shall have jurisdiction to affirm the action of the Commissioner or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

National Advisory Council on Extension and Continuing Education

SEC. 109. (a) The President shall, within ninety days of enactment of this title, appoint a National Advisory Council on Extension and Continuing Education (hereafter referred to as the "Advisory Council"), consisting of the Commissioner, who shall be Chairman, one representative each of the Departments of Agriculture, Commerce, Defense, Labor, Interior, and State, of the Housing and Home Finance Agency, and the Office of Economic Opportunity, and of such other Federal agencies having extension education responsibilities as the President may

designate, and twelve members appointed, for staggered terms and without regard to the civil service laws, by the President. Such twelve members shall, to the extent possible, include persons knowledgeable in the fields of extension and continuing education, State and local officials, and other persons having special knowledge, experience, or qualification with respect to community problems, and persons representative of the general public. The Advisory Council shall meet at the call of the Chairman but not less often than twice a year.

(b) The Advisory Council shall advise the Commissioner in the preparation of general regulations and with respect to policy matters arising in the administration of this title, including policies and procedures governing the approval of State plans under section 104(b), the approval of projects and activities under section 106, and policies to eliminate duplication and to effectuate the coordination of programs under this title and other programs offering extension or continuing education activities and services.

(c) The Advisory Council shall review the administration and effectiveness of all federally supported extension and continuing education programs, make recommendations with respect thereto, and make annual reports commencing on March 31, 1967, of its findings and recommendations (including recommendations for changes in the provisions of Federal laws relating to extension and continuing education activities) to the Secretary and to the President. The President shall transmit each such report to the Congress, together with his comments and recommendations.

(d) Members of the Advisory Council who are not regular full-time employees of the United States shall, while serving on the business of the Council, be entitled to receive compensation at rates fixed by the Secretary, but not exceeding \$100 per day, including travel time; and, while so serving away from their homes or regular places of business, members may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b-2) for persons in the Government service employed intermittently.

(e) The Secretary shall engage such technical assistance as may be required to carry out the functions of the Advisory Council, and the Secretary shall, in addition, make available to the Advisory Council such secretarial, clerical, and other assistance and such pertinent data prepared by the Department of Health, Education, and Welfare as it may require to carry out its functions.

(f) In carrying out its functions pursuant to this section, the Advisory Council may utilize the services and facilities of any agency of the Federal Government, in accordance with agreements between the Secretary and the head of such agency.

SEC. 110. Nothing in this title shall modify authorities under the Act of the February 23, 1917 (Smith-Hughes Vocational Education Act), as amended (20 U.S.C. 11-15, 16-28); the Vocational Education Act of 1946, as amended (20 U.S.C. 15i-15m, 15o-15q, 15aa-15jj, and 15aaa-15ggg); the Vocational Education Act of 1963 (20 U.S.C. 35-35n); title VIII of the Housing Act of 1964 (Public Law 88-560); of the Act of May 8, 1914 (Smith-Lever Act), as amended (7 U.S.C. 341-348).

Limitation

SEC. 111. No grant may be made under this title for any education activities or services related to sectarian instruction or religious worship, or provided by a school or department of divinity. For purposes of this section, the term "school or department of divinity" means an institution or a department or branch of an institution whose program is specifically for the education of students to prepare them to become ministers of re-

ligion or to enter upon some other religious vocation, or to prepare them to teach theological subjects.

TITLE II—COLLEGE LIBRARY ASSISTANCE AND LIBRARY TRAINING AND RESEARCH

Part A—College library resources

Appropriations Authorized

SEC. 201. There are authorized to be appropriated \$50,000,000 for the fiscal year ending June 30, 1966, and for each of the four succeeding fiscal years, to enable the Commissioner to make grants under this part to institutions of higher education to assist and encourage such institutions in the acquisition for library purposes of books, periodicals, documents, magnetic tapes, phonograph records, audiovisual materials, and other related library materials (including necessary binding).

Basic Grants

SEC. 202. From 75 per centum of the sums appropriated pursuant to section 201 for any fiscal year, the Commissioner is authorized to make basic grants for the purposes set forth in that section to institutions of higher education and combinations of such institutions. The amount of a basic grant shall not exceed \$5,000 for each such institution of higher education and each branch of such institution which is located in a community different from that in which its parent institution is located, and a basic grant under this subsection may be made only if the application therefor is approved by the Commissioner upon his determination that the application (whether by an individual institution or a combination of institutions)—

(a) provides satisfactory assurance that the applicant will expend during the fiscal year for which the grant is requested (from funds other than funds received under this part) for all library purposes (exclusive of construction) (1) an amount not less than the average annual amount it expended for such purposes during the two-year period ending June 30, 1965, and (2) an amount (from such other sources) equal to not less than the amount of such grant;

(b) provides satisfactory assurance that the applicant will expend during the fiscal year for which the grant is requested (from funds other than funds received under this part) for books, periodicals, documents, magnetic tapes, phonograph records, audiovisual materials, and other related materials (including necessary binding) for library purposes an amount not less than the average annual amount it expended for such materials during the two-year period ending June 30, 1965;

(c) provides for joint use of library facilities with other institutions where feasible;

(d) provides for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the applicant under this section; and

(e) provides for making such reports, in such form and containing such information, as the Commissioner may require to carry out his functions under this section, and for keeping such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports.

Supplemental Grants

SEC. 203. (a) From the remainder of such 75 per centum of the sums appropriated pursuant to section 201 for any fiscal year, plus any part of such sums as the Commissioner determines will not be needed for making grants under section 204, the Commissioner is authorized to make supplemental grants for the purposes set forth in section 201 to institutions of higher education and combinations of such institutions. The amount of a supplemental grant shall not exceed \$10 for each full-time student (including the full-time equivalent of the number of part-time students) enrolled in each such insti-

tution, as determined pursuant to regulations of the Commissioner. A supplemental grant may be made only upon application therefor, in such form and containing such information as the Commissioner may require, which application shall—

(1) meet the application requirements set forth in section 202 except for the matching requirement set forth in paragraph (a) (2) of that section;

(2) describe the size and quality of the library resources of the applicant in relation to its present enrollment and any expected increase in its enrollment;

(3) set forth any special circumstances which are impeding or will impede the proper development of its library resources; and

(4) provide a general description of how a supplemental grant would be used to improve the size or quality of its library resources.

(b) The Commissioner shall approve applications for supplemental grants on the basis of basic criteria prescribed in regulations and developed after consultation with the Council created under section 205. Such basic criteria shall be such as will best tend to achieve the objectives of this part and they (1) may take into consideration factors such as the size and age of the library collection and student enrollment, and (2) shall give priority to institutions in need of financial assistance for library purposes.

Special Purpose Grants

SEC. 204. (a) Twenty-five per centum of the sums appropriated pursuant to section 201 for each fiscal year shall be used by the Commissioner to make special grants (1) to institutions of higher education which demonstrate a special need for additional library resources and which demonstrate that such additional library resources will make a substantial contribution to the quality of their educational resources, (2) to institutions of higher education to meet special national or regional needs in the library and information sciences, including those in the physical and social science fields, and (3) to combinations of institutions of higher education which need special assistance in establishing and strengthening joint-use facilities. Grants under this section may be used only for books, periodicals, documents, magnetic tapes, phonograph records, audiovisual materials, and other related library materials (including necessary binding).

(b) Grants pursuant to this section shall be made upon application providing satisfactory assurance that (1) the applicant (or applicants jointly in the case of a combination of institutions) will expend during the fiscal year for which the grant is requested (from funds other than funds received under this part) for the same purposes as such grant an amount from such other sources equal to 33⅓ per centum of such grant, and (2) each such applicant will expend (from such other sources) for all library purposes (exclusive of construction) an amount not less than the average annual amount it expended for such purposes during the two-year period ending June 30, 1965.

Advisory Council on College Library Resources

SEC. 205. (a) The Commissioner shall establish in the Office of Education an Advisory Council on College Library Resources consisting of the Commissioner, who shall be Chairman, and eight members appointed, without regard to the civil service laws, by the Commissioner with the approval of the Secretary.

(b) The Advisory Council shall advise the Commissioner with respect to establishing criteria for the making of supplemental grants under section 203 and the making of special purpose grants under section 204. The Commissioner may appoint such special advisory and technical experts and consultants as may be useful in carrying out the functions of the Advisory Council.

(c) Members of the Advisory Council, while serving on business of the Advisory Council, shall receive compensation at a rate to be fixed by the Secretary, but not exceeding \$100 per day, including travel time; and, while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b-2) for persons in the Government service employed intermittently.

Accreditation Requirement for Purposes of This Part

SEC. 206. For the purposes of this part, an educational institution shall be deemed to have been accredited by a nationally recognized accrediting agency or association if the Commissioner determines that there is satisfactory assurance that upon acquisition of the library resources with respect to which assistance under this part is sought, or upon acquisition of those resources and other library resources planned to be acquired within a reasonable time, the institution will meet the accreditation standards of such agency or association.

Limitation

SEC. 207. No grant may be made under this part for books, periodicals, documents, or other related materials to be used for sectarian instruction or religious worship, or primarily in connection with any part of the program of a school or department of divinity. For purposes of this section, the term "school or department of divinity" means an institution or a department or branch of an institution whose program is specifically for the education of students to prepare them to become ministers of religion or to enter upon some other religious vocation, or to prepare them to teach theological subjects.

Part B—Library training and research

Appropriations Authorized

SEC. 221. There are authorized to be appropriated \$7,500,000 for the fiscal year ending June 30, 1966, and \$15,000,000 for the fiscal year ending June 30, 1967, and for each of the three succeeding fiscal years, for the purpose of carrying out this part.

Definition of "Librarianship"

SEC. 222. For the purposes of this part the term "librarianship" means the principles and practices of the library and information sciences, including the acquisition, organization, storage, retrieval, and dissemination of information, and reference and research use of library and other information resources.

Grants for Training in Librarianship

SEC. 223. (a) The Commissioner is authorized to make grants to institutions of higher education to assist them in training persons in librarianship, including the training of specialists in the communication of information in the physical and social sciences. Such grants may be used by such institutions to assist in covering the cost of courses of training or study for such persons, and for establishing and maintaining fellowships or traineeships with stipends (including allowances for traveling, subsistence, and other expenses) for fellows and others undergoing training and their dependents not in excess of such maximum amounts as may be prescribed by the Commissioner.

(b) The Commissioner may make a grant to an institution of higher education only upon application by the institution and only upon his finding that such program will substantially further the objective of increasing the opportunities throughout the Nation for training in librarianship.

Research and Demonstrations Relating to Libraries and the Training of Library Personnel

SEC. 224. (a) The Commissioner is authorized to make grants to institutions of

higher education and other public or private agencies, institutions, and organizations and to individuals, for research and demonstration projects relating to the improvement of libraries or the improvement of training in librarianship, including the development of new techniques, systems, and equipment for processing, storing, and distributing information, and for the dissemination of information derived from such research and demonstrations, and, without regard to section 3709 of the Revised Statutes (41 U.S.C. 5), to provide by contracts with them for the conduct of such activities; except that no such grant may be made to a private agency, organization, or institution other than a nonprofit one.

(b) The Commissioner is authorized to appoint such special or technical advisory committees as he may deem necessary to advise him on matters of general policy concerning research and demonstration projects relating to the improvement of libraries and the improvement of training in librarianship, or concerning special services necessary thereto or special problems involved therein.

(c) The Commissioner shall also from time to time appoint panels of experts competent to evaluate various types of research and demonstration projects under this section, and shall obtain the advice and recommendations of such a panel before making each grant under this section.

(d) Members of any committee or panel appointed under this section who are not regular full-time employees of the United States shall, while serving on the business of such a committee or panel, be entitled to receive compensation at rates fixed by the Commissioner, but not in excess of \$100 per diem, including travel time; and they may, while so serving away from their homes or regular places of business, be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b-2) for persons in the Government service employed intermittently.

Part C—Cataloging of Library Materials

Authorization

SEC. 241. There are hereby authorized to be appropriated \$5,000,000 for the fiscal year ending June 30, 1966, \$6,315,000 for the fiscal year ending June 30, 1967, and \$7,770,000 for the fiscal year ending June 30, 1968, and for each of the two succeeding fiscal years to enable the Commissioner to transfer funds to the Librarian of Congress for the purpose of—

(1) insuring, so far as possible, the acquisition by the Library of Congress of all library materials currently published throughout the world of value to scholarship; and

(2) providing catalog information for these materials promptly after receipt, and distributing bibliographic information by printing catalog cards and by other means, and authorizing the Library of Congress to use for exchange and other purposes such of these materials not needed for its own collections.

TITLE III—STRENGTHENING DEVELOPING INSTITUTIONS

Statement of Purpose and Appropriations Authorized

SEC. 301. (a) The purpose of this title is to assist in raising the academic quality of colleges which have the desire and potential to make a substantial contribution to the higher education resources of our Nation but which for financial and other reasons are struggling for survival and are isolated from the main currents of academic life, and to do so by enabling the Commissioner to establish a national teaching fellow program and to encourage and assist in the establishment of cooperative arrangements

under which these colleges may draw on the talent and experience of our finest colleges and universities, and on the educational resources of business and industry, in their effort to improve their academic quality.

(b) There are authorized to be appropriated—

(1) \$25,000,000 for the fiscal year ending June 30, 1966, and for each of the four succeeding fiscal years, for carrying out the provisions of this title with respect to developing institutions which plan to award one or more bachelors degrees during such year;

(2) \$25,000,000 for the fiscal year ending June 30, 1966, and for each of the four succeeding fiscal years, for carrying out the provisions of this title with respect to developing institutions which do not plan to award such a degree during such year; and

(3) \$5,000,000 for the fiscal year ending June 30, 1966, and \$10,000,000 for the fiscal year ending June 30, 1967, and for each of the three succeeding fiscal years, to be used for the same purpose as amounts appropriated pursuant to clause (1) or (2), or both, as determined by the Commissioner.

Definition of "Developing Institution"

SEC. 302. As used in this title the term "developing institution" means a public or nonprofit educational institution which—

(a) admits as regular students only persons having a certificate of graduation from a high school, or the recognized equivalent of such certificate;

(b) is legally authorized to provide, and provides within the State, an educational program for which it awards a bachelor's degree, or provides not less than a two-year program which is acceptable for full credit toward such a degree, or offers a two-year program in engineering, mathematics, or the physical or biological sciences which is designed to prepare the student to work as a technician and at a semiprofessional level in engineering, scientific, or other technological fields which require the understanding and application of basic engineering, scientific, or mathematical principles of knowledge;

(c) is accredited by a nationally recognized accrediting agency or association determined by the Commissioner to be reliable authority as to the quality of training offered or is, according to such an agency or association, making reasonable progress toward accreditation;

(d) has met the requirements of clauses (a), (b), and (c) during the two academic years preceding the academic year for which it seeks assistance under this title;

(e) is making a reasonable effort to improve the quality of its teaching and administrative staffs and of its student services;

(f) is seriously handicapped in its efforts to improve such staffs and services by lack of financial resources and a shortage of qualified professional personnel;

(g) meets such other requirements as the Commissioner may prescribe by regulation; and

(h) is not an institution, or department, or branch of an institution, whose program is specifically for the education of students to prepare them to become ministers of religion or to enter upon some other religious vocation or to prepare them to teach theological subjects.

Advisory Council on Developing Institutions

SEC. 303. (a) The Commissioner shall establish in the Office of Education an Advisory Council on Developing Institutions (hereinafter in this title referred to as the "Council"), consisting of the Commissioner who shall be Chairman, one representative each of such Federal agencies having responsibilities with respect to developing institutions as the Commissioner may designate,

and eight members appointed, without regard to the civil service laws, by the Commissioner with the approval of the Secretary.

(b) The Council shall advise the Commissioner with respect to policy matters arising in the administration of this title and in particular shall assist the Commissioner in identifying those developing institutions through which the purposes of this title can best be achieved and in establishing priorities for use in approving applications under this title. The Commissioner may appoint such special advisory and technical experts and consultants as may be useful in carrying out the functions of the Council.

(c) Members of the Council who are not otherwise full-time employees of the United States shall, while serving on business of the Council, receive compensation at a rate to be fixed by the Secretary, but not exceeding \$100 per day, including travel time; and, while so serving away from their homes or regular places of business, members may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b-2) for persons in the Government service employed intermittently.

Grants for Cooperative Agreements To Strengthen Developing Institutions

SEC. 304. (a) The Commissioner is authorized to make grants to developing institutions and other colleges and universities to pay part of the cost of planning, developing, and carrying out cooperative arrangements which show promise as effective measures for strengthening the academic programs and the administration of developing institutions. Such cooperative arrangements may be between developing institutions, between developing institutions and other colleges and universities, and between developing institutions and organizations, agencies, and business entities. Grants under this section may be used for projects and activities such as—

(1) exchange of faculty or students, including arrangements for bringing visiting scholars to developing institutions;

(2) faculty and administration improvement programs utilizing training, education (including fellowships leading to advanced degrees), internships, research participation, and other means;

(3) introduction of new curriculums and curricular materials;

(4) development and operation of cooperative education programs involving alternate periods of academic study and business or public employment;

(5) joint use of facilities such as libraries or laboratories, including necessary books, materials, and equipment; and

(6) other arrangements which offer promise of strengthening the academic programs and the administration of developing institutions.

(b) A grant may be made under this section only upon application to the Commissioner at such time or times and containing such information as he deems necessary. The Commissioner shall not approve an application unless it—

(1) sets forth a program for carrying out one or more projects or activities which meet the requirements of subsection (a) and provides for such methods of administration as are necessary for the proper and efficient operation of the program;

(2) sets forth policies and procedures which assure that Federal funds made available under this section for any fiscal year will be so used as to supplement and, to the extent practical, increase the level of funds that would, in the absence of such Federal funds, be made available for purposes which meet the requirements of subsection (a), and in no case supplant such funds;

(3) provides for such fiscal control and fund accounting procedures as may be neces-

sary to assure proper disbursement of and accounting for Federal funds paid to the applicant under this section; and

(4) provides for making such reports, in such form and containing such information, as the Commissioner may require to carry out his functions under this title, and for keeping such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports.

(c) The Commissioner shall, after consultation with the Council, establish criteria as to eligible expenditures for which grants made under this section may be used, which criteria shall be so designed as to prevent the use of such grants for expenditures not necessary to the achievement of the purposes of this title.

National Teaching Fellowships

SEC. 305. (a) The Commissioner is authorized to award fellowships under this section to highly qualified graduate students and junior members of the faculty of colleges and universities, to encourage such individuals to teach at developing institutions. The Commissioner shall award fellowships to individuals for teaching at developing institutions only upon application by an institution approved for this purpose by the Commissioner and only upon a finding by the Commissioner that the program of teaching set forth in the application is reasonable in the light of the qualifications of the teaching fellow and of the educational needs of the applicant.

(b) Fellowships may be awarded under this section for such period of teaching as the Commissioner may determine, but such period shall not exceed two academic years or extend beyond June 30, 1970. Each person awarded a fellowship under the provisions of this section shall receive a stipend for each academic year of teaching of not more than \$6,500 as determined by the Commissioner upon the advice of the Council, plus an additional amount of \$400 for each such year on account of each of his dependents.

TITLE IV—STUDENT ASSISTANCE

Part A—Undergraduate scholarships

Statement of Purpose and Appropriations Authorized

SEC. 401. (a) It is the purpose of this part to provide, through institutions of higher education and State programs, scholarships to assist in making available the benefits of higher education to qualified high school graduates from low-income families, who for lack of financial means of their own or of their families would be unable to obtain such benefits without such aid. It is further the purpose of the Congress to encourage such institutions to use work-study and loan programs and any other means of student aid available to them to combine with or supplement scholarship aid under this part, as may be appropriate in any case.

(b) There are hereby authorized to be appropriated \$70,000,000 for the fiscal year ending June 30, 1966, and for each of the four succeeding fiscal years, to enable the Commissioner to make payments to (1) institutions of higher education that have agreements with him entered into under section 407, for use by such institutions (A) for payments to undergraduate students for the initial academic year of scholarships awarded to them under this part and (B) for defraying (within the limits specified in section 407(b)) eligible costs of administration, by such institutions, of the cooperative motivational program for high school students described in section 407(a)(5), and (2) States to be used in their scholarship programs pursuant to section 406(b). There are further authorized to be appropriated, for the fiscal year ending June 30, 1967, and each of the six succeeding fiscal years, such

sums as may be necessary for payment to such institutions for use by them for making scholarship payments under this part to undergraduate students for academic years other than the initial year of their scholarship. Sums appropriated pursuant to this subsection for any fiscal year shall be available for payment to institutions until the close of the fiscal year succeeding the fiscal year for which they were appropriated. For the purposes of this subsection, payment for the first year of a scholarship shall not be considered as an initial-year payment if the scholarship was awarded for the continuing education of a student who had been previously awarded a scholarship under this part (whether by another institution or otherwise) and had received payment for any year of that scholarship.

Amount of Scholarship—Annual Determination

SEC. 402. From the funds received by it for such purpose under this part, an institution of higher education which awards a scholarship to a student under this part shall, for the duration of the scholarship, pay to that student for each academic year during which he is in need of scholarship aid to pursue a course of study at the institution, an amount determined by the institution for such student with respect to that year, which amount shall not exceed \$800, or \$1,000 in the case of a student who during the preceding academic year of college work received grades in the upper half of his class, or, if less, the amount deemed by the institution to be required by such student to pursue the educational program involved at the institution; except that if the amount of the payment so determined for that year is less than \$200 no payment shall be made under this part to that student for that year. The Commissioner shall, subject to the foregoing limitations, prescribe for the guidance of participating institutions basic criteria or schedules (or both) for the determination of the amount of any such scholarship, taking into account the objective of limiting scholarship aid under this part to students from low-income families and such other factors, including the number of dependents in the family, as the Commissioner may deem relevant.

Duration of Scholarship

SEC. 403. The duration of a scholarship awarded under this part shall be the period required for completion by the recipient of his undergraduate course of study at the institution of higher education from which he received the scholarship award, except that such period shall not exceed four academic years less any such period with respect to which the recipient has previously received payments under this part pursuant to a prior scholarship award (whether made by the same or another institution). A scholarship awarded under this part shall entitle the recipient to payments only if he (1) is maintaining satisfactory progress in the course of study which he is pursuing, according to the regularly prescribed standards and practices of the institution from which he received the award, and (2) is devoting essentially full time to that course of study, during the academic year, in attendance at that institution. Failure to be in attendance at the institution during vacation periods or periods of military service, or during other periods during which the Commissioner determines in accordance with regulations that there is good cause for his nonattendance (during which periods he shall receive no payments), shall not be deemed contrary to clause (2).

Selection of Recipients of Scholarships

SEC. 404. (a) An individual shall be eligible for a scholarship award under this part at any institution of higher education which has made an agreement with the Commis-

sioner pursuant to section 407 (which institution is hereinafter in this part referred to as an "eligible institution"), if the individual (1) is from a low-income family (as determined in accordance with the criteria or schedules prescribed pursuant to section 402), and (2) makes application at the time and in the manner prescribed by that institution.

(b) From among those eligible for scholarship awards from an institution of higher education for each fiscal year, the institution shall, in accordance with the provisions of its agreement with the Commissioner under section 407 and within the amount allocated to the institution for that purpose for that year under section 406, select individuals who are to be awarded such scholarships and determine, pursuant to section 402, the amounts to be paid to them. An institution shall not award a scholarship to an individual unless it determines that—

(1) he is in need of the scholarship to pursue a course of study at such institution;

(2) he is capable, in the opinion of the institution, of maintaining good standing in such course of study; and

(3) he has been accepted for enrollment as a full-time student at such institution or, in the case of a student already attending such institution, is in good standing and in full-time attendance there as an undergraduate student.

Apportionment of Scholarship Funds Among States

SEC. 405. (a) (1) From the sums appropriated pursuant to the first sentence of section 401(b) for any fiscal year, the Commissioner shall apportion an amount equal to not more than 2 per centum of such sums among Puerto Rico, Guam, American Samoa, and the Virgin Islands according to their respective needs for assistance under this part. The remainder of the sums so appropriated shall be apportioned among the States as provided in paragraph (2).

(2) Of the sums being apportioned under this subsection—

(A) one-third shall be apportioned by the Commissioner among the States so that the apportionment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of persons enrolled on a full-time basis in institutions of higher education in such State bears to the total number of persons enrolled on a full-time basis in institutions of higher education in all the States,

(B) one-third shall be apportioned by the Commissioner among the States so that the apportionment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of secondary school graduates of such State bears to the total number of such secondary school graduates of all the States, and

(C) one-third shall be allotted by him among the States so that the apportionment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of related children under eighteen years of age living in families with annual incomes of less than \$3,000 in such State bears to the number of related children under eighteen years of age living in families with annual incomes of less than \$3,000 in all the States.

(3) For purposes of paragraphs (1) and (2) of this subsection—

(A) the term "State" does not include Puerto Rico, Guam, American Samoa, and the Virgin Islands,

(B) the term "secondary school graduate" means a person who has received formal recognition (by diploma, certificate, or similar means) from an approved school for successful completion of four years of education beyond the first eight years of school work, and

(C) the number of persons enrolled on a full-time basis in institutions of higher education and the number of secondary school graduates shall each be determined by the Commissioner on the basis of the most recent satisfactory data available from the Department of Health, Education, and Welfare, and the number of related children under eighteen years of age living in families with annual incomes of less than \$3,000 shall be determined by the Commissioner on the basis of the most recent satisfactory data available from the Department of Commerce.

(4) If the total of the sums determined by the Commissioner to be required under section 406 for any fiscal year for eligible institutions in a State is less than the amount of the apportionment to that State under paragraph (1) or (2) for that year, the Commissioner may reapportion the remaining amount from time to time, on such date or dates as he may fix, to other States in such manner as he determines will best assist in achieving the purposes of this part.

(b) Sums appropriated pursuant to the second sentence of section 401(b) for any fiscal year shall be apportioned or reapportioned among the States in such manner as the Commissioner determines to be necessary to carry out the purposes for which such sums are appropriated.

Allocation of Apportioned Funds to Institutions and for State Scholarship Plans

SEC. 406. (a) (1) The Commissioner shall from time to time set dates by which eligible institutions in any State must file applications for allocation, to such institutions, of student scholarship funds from the apportionment to that State (and of any reapportionment thereto) for any fiscal year pursuant to section 405(a), to be used for the purposes specified in the first sentence of section 401(b). Such allocations shall be made in accordance with equitable criteria which the Commissioner shall establish and which shall be designed to achieve such distribution of such funds among eligible institutions within a State as will most effectively carry out the purposes of this part.

(2) The Commissioner shall further, in accordance with regulations, allot to eligible institutions, in any State, from funds apportioned or reapportioned pursuant to section 405(b), funds to be used for the scholarship payments specified in the second sentence of section 401(b).

(3) Payment shall be made from allotments under this section to institutions as needed.

(b) Upon request from the Governor of any State, not to exceed 15 per centum of such State's apportionment (not including any reapportionments) for any fiscal year shall be paid to such State for use during such year in granting scholarships to students in higher education if—

(1) such State provides an equal amount to be used for the same purpose;

(2) such amount provided by such State represents an increase in expenditures for such purpose by such State over the amount expended by such State for the previous fiscal year; and

(3) such scholarships are granted on the same basis of need, and are substantially the same in other respects, as scholarships granted by institutions of higher education pursuant to this part.

Requests for the purpose of this subsection shall be filed prior to such times as are established by the Commissioner, and shall be accompanied by such information with respect to the State's scholarship program under which the Federal payment is to be used as may be required by the Commissioner for the purposes of the part.

Agreements With Institutions—Conditions

SEC. 407. (a) An institution of higher education which desires to obtain funds for scholarships under this part, shall enter into an agreement with the Commissioner. Such agreement shall—

(1) provide that funds received by the institution under this part will be used by it only for the purposes specified in, and in accordance with, the provisions of this part;

(2) provide that in determining whether an individual is an eligible student from a low-income family the institution will (A) consider the source of such individual's income and that of any individual or individuals upon whom the student relies primarily for support, and (B) make an appropriate review of the assets of the student and of such individuals;

(3) provide that in the selection of students to receive scholarships under this part preference shall be given to (A) students who are beginning their first year of undergraduate study and (B) students who are transferring from an institution of higher education which customarily offers only a two-year program of study to an institution which offers four or more years of higher education;

(4) provide that the institution will, where appropriate, combine financial assistance in the form of loans under title II of the National Defense Education Act of 1958 or under a State or private plan, work-study opportunities under part C of title I of the Economic Opportunity Act of 1964 (as amended by part C of this title) or as may be offered otherwise, and scholarships under this part, in an effort to meet the financial needs of students from low-income families;

(5) provide that the institution, in cooperation with other institutions of higher education where appropriate, will make vigorous efforts to identify qualified youths from low-income families and to encourage them to continue their education beyond secondary school through programs and activities such as—

(A) establishing or strengthening close working relationships with secondary-school principals and guidance and counseling personnel with a view toward motivating students to complete secondary school and pursue post-secondary-school educational opportunities, and

(B) making, to the extent feasible, tentative commitments for scholarships to qualified students enrolled in grade 11 and lower grades or to secondary-school dropouts who have a demonstrated aptitude for college study;

(6) provide assurance that the institution will continue to spend in its own scholarship and student-aid program, from sources other than funds received under this part, not less than the average expenditure per year made for that purpose during the most recent period of three fiscal years preceding the effective date of the agreement;

(7) include provisions designed to make scholarships under this part reasonably available (to the extent of available funds) to all eligible students in the institution in need thereof; and

(8) include such other provisions as may be necessary to protect the financial interest of the United States and promote the purposes of this part.

(b) An institution may spend up to 5 per centum of the funds paid to it for any fiscal year ending prior to July 1, 1970, for the administration of the program described in paragraph (5) of subsection (a).

Contracts To Encourage Full Utilization of Educational Talent

SEC. 408. (a) To assist in achieving the purposes of this title the Commissioner is

authorized (without regard to section 3709 of the Revised Statutes (41 U.S.C. 5)), to enter into contracts, not to exceed \$100,000 per year, with State and local educational agencies and other public or nonprofit organizations and institutions for the purpose of—

(1) identifying qualified youths from low-income families and encouraging them to complete secondary school and undertake postsecondary educational training,

(2) publicizing existing forms of student financial aid, including aid furnished under this part, and

(3) encouraging secondary-school dropouts of demonstrated aptitude to reenter educational programs, including post-secondary-school programs.

(b) There are hereby authorized to be appropriated such sums as may be necessary to carry out this section.

Definition of "Academic Year"

SEC. 409. As used in this part, the term "academic year" means an academic year or its equivalent as defined in regulations of the Commissioner.

Part B—Federal, State, and private programs of low-interest insured loans to students in institutions of higher education

Statement of Purpose and Appropriations Authorized

SEC. 421. (a) The purpose of this part is to enable the Commissioner (1) to encourage States and nonprofit private institutions and organizations to establish adequate loan insurance programs for students in eligible institutions (as defined in section 435), (2) to provide a Federal program of student loan insurance for students who do not have reasonable access to a State or private nonprofit program of student loan insurance covered by an agreement under section 428(b), and (3) to pay a portion of the interest on loans to qualified students which are insured under this part or under a program of a State or of a nonprofit private institution or organization which meets the requirements of section 428(a)(1)(A).

(b) For the purpose of carrying out this part—

(1) there are authorized to be appropriated to the student loan insurance fund (established by section 431) (A) the sum of \$1,000,000, and (B) such further sums, if any, as may become necessary for the adequacy of the student loan insurance fund,

(2) there are authorized to be appropriated, for payments under section 428 with respect to interest on insured loans, such sums for the fiscal year ending June 30, 1966, and succeeding fiscal years, as may be required therefor, and

(3) there are authorized to be appropriated the sum of \$17,500,000 for making advances pursuant to section 422 for the reserve funds of State and nonprofit private student loan insurance programs.

Sums appropriated under clauses (1) and (2) of this subsection shall remain available until expended, and sums appropriated under clause (3) of this subsection shall remain available for advances under section 422 until the close of the fiscal year ending June 30, 1968.

Advances for Reserve Funds of State and Nonprofit Private Loan Insurance Programs

SEC. 422. (a)(1) From the sums appropriated pursuant to clause (3) of section 421 (b), the Commissioner is authorized to make advances to any State with which he has made an agreement pursuant to section 428 (b) for the purpose of helping to establish or strengthen the reserve fund of the student loan insurance program covered by that agreement. If for any of the fiscal years ending June 30, 1966, June 30, 1967, or June

30, 1968, a State does not have a student loan insurance program covered by an agreement pursuant to section 428(b), and the Commissioner determines after consultation with the chief executive officer of that State that there is no reasonable likelihood that the State will have such student loan insurance program for such year, the Commissioner may make advances for such year for the same purpose to one or more nonprofit private institutions or organizations with which he has made an agreement pursuant to section 428(b) in order to enable students in that State to participate in a program of student loan insurance covered by such an agreement. The Commissioner may make advances under this subsection both to a State program with which he has such an agreement and to one or more nonprofit private institutions or organizations with which he has such an agreement in that State if he determines that such advances are necessary in order that students in each eligible institution have access through such institution to a student loan insurance program which meets the requirements of section 428(b)(1).

(2) Advances pursuant to this subsection shall be upon such terms and conditions (including conditions relating to the time or times of payment) consistent with the requirements of section 428(b) as the Commissioner determines will best carry out the purposes of this section. Advances made by the Commissioner under this subsection shall be repaid within such period as the Commissioner may deem to be appropriate in each case in the light of the maturity and solvency of the reserve fund for which the advance was made.

(b) The total of the advances to any State pursuant to subsection (a) may not exceed an amount which bears the same ratio to $2\frac{1}{2}$ per centum of \$700,000,000 as the population of that State aged eighteen to twenty-two, inclusive, bears to the total population of all the States aged eighteen to twenty-two, inclusive. If the amount so determined for any State, however, is less than \$25,000, it shall be increased to \$25,000 and the total of the increases thereby required shall be derived by proportionately reducing (but not below \$25,000) the amount so determined for each of the remaining States. Advances to nonprofit private institutions and organizations pursuant to subsection (a) may be in such amounts as the Commissioner determines will best achieve the purposes for which they are made, except that the sum of (1) advances to such institutions and organizations for the benefit of students in any State plus (2) the amounts advanced to such State, may not exceed the maximum amount which may be advanced to that State pursuant to the first two sentences of this subsection. For the purposes of this subsection, the population aged eighteen to twenty-two, inclusive, of each State and of all the States shall be determined by the Commissioner on the basis of the most satisfactory data available to him.

Effect of Adequate Non-Federal Programs

SEC. 423. The Commissioner shall not issue certificates of insurance under section 429 to lenders in a State if he determines that every eligible institution has reasonable access in that State to a State or private nonprofit student loan insurance program which is covered by an agreement under section 428(b).

Scope and Duration of Loan Insurance Program

SEC. 424. (a) The total principal amount of new loans made and installments paid pursuant to lines of credit (as defined in section 435) to students covered by insurance under this part shall not exceed \$700,000,000 in the fiscal year ending June 30, 1966, \$1,000,000,000 in the fiscal year ending June 30, 1967, and \$1,400,000,000 in the fiscal

year ending June 30, 1968. Thereafter, insurance pursuant to this part may be granted only for loans made (or for loan installments paid pursuant to lines of credit) to enable students, who have obtained prior loans insured under this part, to continue or complete their educational programs; but no insurance may be granted for any loan made or installment paid after June 30, 1972.

(b) The Commissioner may, if he finds it necessary to do so in order to assure an equitable distribution of the benefits of this part, assign, within the maximum amounts specified in subsection (a), insurance quotas applicable to eligible lenders, or to States or areas, and may from time to time reassign unused portions of these quotas.

Limitations on Individual Loans and on Insurance

SEC. 425. (a) The total of the loans made to a student in any academic year or its equivalent (as determined under regulations of the Commissioner) which may be covered by insurance under this part may not exceed \$1,500 in the case of a graduate or professional student (as defined in regulations of the Commissioner), or \$1,000 in the case of any other student. The aggregate insured unpaid principal amount of all such insured loans made to any student shall not at any time exceed \$7,500 in the case of any graduate or professional student (as defined in regulations of the Commissioner), and including any such insured loans made to such person before he became a graduate or professional student), or \$5,000 in the case of any other student. The annual insurable limit per student shall not be deemed to be exceeded by a line of credit under which actual payments by the lender to the borrower will not be made in any year in excess of the annual limit.

(b) The insurance liability on any loan insured under this part shall be 100 per centum of the unpaid balance of the principal amount of the loan. Such insurance liability shall not include liability for interest whether or not that interest has been added to the principal amount of the loan.

Sources of Funds

SEC. 426. Loans made by eligible lenders in accordance with this part shall be insurable whether made from funds fully owned by the lender or from funds held by the lender in a trust or similar capacity and available for such loans.

Eligibility of Student Borrowers and Terms of Student Loans

SEC. 427. (a) A loan by an eligible lender shall be insurable under the provisions of this part only if—

(1) made to a student who (A) has been accepted for enrollment at an eligible institution or, in the case of a student already attending such institution, is in good standing there as determined by the institution, and (B) is carrying at least one-half of the normal full-time workload as determined by the institution, and (C) has provided the lender with a statement of the institution which sets forth a schedule of the tuition and fees applicable to that student and its estimate of the cost of board and room for such a student; and

(2) evidenced by a note or other written agreement which—

(A) is made without security and without endorsement, except that if the borrower is a minor and such note or other written agreement executed by him would not, under the applicable law, create a binding obligation, endorsement may be required,

(B) provides for repayment (except as provided in subsection (c)) of the principal amount of the loan in installments over a period of not less than five years (unless sooner repaid) nor more than ten years beginning not earlier than nine months nor

later than one year after the date on which the student ceases to carry at an eligible institution at least one-half the normal full-time academic workload as determined by the institution, except that (i) the period of the loan may not exceed fifteen years from the execution of the note or written agreement evidencing it and (ii) the note or other written instrument may contain such provisions relating to repayment in the event of default in the payment of interest or in the payment of the cost of insurance premiums, or other default by the borrower, as may be authorized by regulations of the Commissioner in effect at the time the loan is made,

(C) provides for interest on the unpaid principal balance of the loan at a yearly rate, not exceeding the applicable maximum rate prescribed and defined by the Secretary (within the limits set forth in subsection (b)) on a national, regional, or other appropriate basis, which interest shall be payable in installments over the period of the loan except that, if provided in the note or other written agreement, any interest payable by the student may be deferred until not later than the date upon which repayment of the first installment of principal falls due, in which case interest that has so accrued during that period may be added on that date to the principal (but without thereby increasing the insurance liability under this part),

(D) provides that the lender will not collect or attempt to collect from the borrower any portion of the interest on the note which is payable by the Commissioner under this part,

(E) entitles the student borrower to accelerate without penalty repayment of the whole or any part of the loan, and

(F) contains such other terms and conditions, consistent with the provisions of this part and with the regulations issued by the Commissioner pursuant to this part, as may be agreed upon by the parties to such loan, including, if agreed upon, a provision requiring the borrower to pay to the lender, in addition to principal and interest, amounts equal to the insurance premiums payable by the lender to the Commissioner with respect to such loan.

(b) No maximum rate of interest prescribed and defined by the Secretary for the purposes of clause 2(C) of subsection (a) may exceed 6 per centum per annum on the unpaid principal balance of the loan, except that under circumstances which threaten to impede the carrying out of the purposes of this part, one or more of such maximum rates of interest may be as high as 7 per centum per annum on the unpaid principal balance of the loan.

(c) The total of the payments by a borrower during any year of any repayment period with respect to the aggregate amount of all loans to that borrower which are insured under this part shall not be less than \$360 or the balance of all of such loans (together with interest thereon), whichever amount is less.

Federal Payments To Reduce Student Interest Costs

SEC. 428. (a) (1) Each student who has received a loan which is insured under this part or a loan, for study at an eligible institution, which—

(A) is insured under a State program, or under a program of a nonprofit private institution or organization, (i) which, in the case of loans insured prior to July 1, 1967, meets the requirements of subparagraph (E) of subsection (b) (1) and provides that repayment of such loans shall be installments beginning not earlier than 60 days after the student ceases to pursue a course of study (as described in subparagraph (D) of subsection (b) (1)) at an eligible institution, or (ii) which, in the case of loans insured after

June 30, 1967, is covered by an agreement made pursuant to subsection (b), and

(B) was contracted for after the date of enactment of this Act and was paid to the student either (i) prior to July 1, 1968, or (ii) prior to July 1, 1972, in the case of a loan made (or a loan installment paid pursuant to a line of credit) to enable a student who has obtained a prior loan insured under such program to continue or complete his educational program.

and whose adjusted family income is less than \$15,000 at the time of execution of the note or written agreement evidencing such loan, shall be entitled to have paid on his behalf and for his account to the holder of the loan, over the period of the loan, a portion of the interest on the loan. For the purposes of this paragraph, the adjusted family income of a student shall be determined pursuant to regulations of the Commissioner in effect at the time of the execution of the note or written agreement evidencing the loan. Such regulations shall provide for taking into account such factors, including family size, as the Commissioner deems appropriate. In the absence of fraud by the lender, such determination of the adjusted family income of a student shall be final so far as the obligation of the Commissioner to pay a portion of the interest on a loan is concerned.

(2) The portion of the interest on a loan which a student is entitled to have paid on his behalf and for his account to the holder of the loan pursuant to paragraph (1) shall be equal to the total amount of the interest on the unpaid principal amount of the loan which accrues prior to the beginning of the repayment period of the loan, and 3 per centum per annum of the unpaid principal amount of the loan (excluding interest which has been added to principal) thereafter; but such portion of the interest on a loan shall not exceed, for any period, the amount of the interest on that loan which is payable by the student after taking into consideration the amount of any interest on that loan which the student is entitled to have paid on his behalf for that period under any State or private loan insurance program. The holder of an insured loan shall be deemed to have a contractual right, as against the United States, to receive from the Commissioner the portion of interest which has been so determined. The Commissioner shall pay this portion of the interest to the holder of the insured loan on behalf of and for the account of the borrower at such times as may be specified in regulations in force when the applicable agreement entered into pursuant to subsection (b) was made, or if the loan is insured under a program which is not covered by such an agreement, at such times as may be specified in regulations in force at the time the loan was paid to the student.

(3) Each holder of a loan with respect to which payments of interest are required to be made by the Commissioner shall submit to the Commissioner, at such time or times and in such manner as he may prescribe, statements containing such information as may be required by or pursuant to regulation for the purpose of enabling the Commissioner to determine the amount of the payment which he must make with respect to that loan.

(b) (1) Any State or any nonprofit private institution or organization may enter into an agreement with the Commissioner for the purpose of entitling students who receive loans which are insured under a student loan insurance program of that State, institution, or organization to have made on their behalf payments equal to those provided for in subsection (a) if the Commissioner determines that the student loan insurance program—

(A) authorizes the insurance of not less than \$1,000 nor more than \$1,500 in loans to

any individual student in any academic year or its equivalent (as determined under regulations of the Commissioner);

(B) authorizes the insurance of loans to any individual student for at least six academic years of study or their equivalent (as determined under regulations of the Commissioner);

(C) provides that (i) the student borrower shall be entitled to accelerate without penalty the whole or any part of an insured loan, (ii) the period of any insured loan may not exceed fifteen years from the date of execution of the note or other written evidence of the loan, and (iii) the note or other written evidence of any loan may contain such provisions relating to repayment in the event of default by the borrower as may be authorized by regulations of the Commissioner in effect at the time such note or written evidence was executed;

(D) subject to subparagraph (C), provides that, where the total of the insured loans to any student which are held by any one person exceeds \$2,000, repayment of such loans shall be in installments over a period of not less than five years nor more than ten years beginning not earlier than nine months nor later than one year after the student ceases to pursue a full-time course of study at an eligible institution, except that if the program provides for the insurance of loans for part-time study at eligible institutions the program shall provide that such repayment period shall begin not earlier than nine months nor later than one year after the student ceases to carry at an eligible institution at least one-half the normal full-time academic workload as determined by the institution;

(E) authorizes interest on the unpaid balance of the loan at a yearly rate not in excess of 6 per centum per annum on the unpaid principal balance of the loan (exclusive of any premium for insurance which may be passed on to the borrower);

(F) insures not less than 90 per centum of the unpaid principal of loans insured under the program;

(G) does not provide for collection of an excessive insurance premium;

(H) provides that the benefits of the loan insurance program will not be denied any student because of his family income or lack of need if his adjusted family income at the time the note or written agreement is executed is less than \$15,000 (as determined pursuant to the regulations of the Commissioner prescribed under section 428(a) (1));

(I) provides that a student may obtain insurance under the program for a loan for any year of study at an eligible institution; and

(J) in the case of a State program, provides that such State program is administered by a single State agency, or by one or more nonprofit private institutions or organizations under the supervision of a single State agency.

(2) Such an agreement shall—

(A) provide that the holder of any such loan will be required to submit to the Commissioner, at such time or times and in such manner as he may prescribe, statements containing such information as may be required by or pursuant to regulation for the purpose of enabling the Commissioner to determine the amount of the payment which he must make with respect to that loan;

(B) include such other provisions as may be necessary to protect the financial interest of the United States and promote the purposes of this part and as are agreed to by the Commissioner and the State or the nonprofit private institution or organization, as the case may be; and

(C) provide for making such reports in such form and containing such information as the Commissioner may reasonably require

to carry out his function under this part and for keeping such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports.

Certificates of Insurance—Effective Date of Insurance

SEC. 429. (a) (1) If, upon application by an eligible lender, made upon such form, containing such information, and supported by such evidence as the Commissioner may require, and otherwise in conformity with this section, the Commissioner finds that the applicant has made a loan to an eligible student which is insurable under the provisions of this part, he may issue to the applicant a certificate of insurance covering the loan and setting forth the amount and terms of the insurance.

(2) Insurance evidenced by a certificate of insurance pursuant to subsection (a) (1) shall become effective upon the date of issuance of the certificate, except that the Commissioner is authorized, in accordance with regulations, to issue commitments with respect to proposed loans, or with respect to lines (or proposed lines) of credit, submitted by eligible lenders, and in that event, upon compliance with subsection (a) (1) by the lender, the certificate of insurance may be issued effective as of the date when any loan, or any payment by the lender pursuant to a line of credit, to be covered by such insurance was made. Such insurance shall cease to be effective upon sixty days' default by the lender in the payment of any installment of the premiums payable pursuant to subsection (c).

(3) An application submitted pursuant to subsection (a) (1) shall contain (A) an agreement by the applicant to pay, in accordance with regulations, the premiums fixed by the Commissioner pursuant to subsection (c), and (B) an agreement by the applicant that if the loan is covered by insurance the applicant will submit such supplementary reports and statements during the effective period of the loan agreement, upon such forms, at such times, and containing such information as the Commissioner may prescribe by or pursuant to regulation.

(b) (1) In lieu of requiring a separate insurance application and issuing a separate certificate of insurance for each student loan made by an eligible lender as provided in subsection (a), the Commissioner may, in accordance with regulations consistent with section 424, issue to any eligible lender applying therefor a certificate of comprehensive insurance coverage which shall, without further action by the Commissioner, insure all insurable loans made by that lender, on or after the date of the certificate and before a specified cutoff date, within the limits of an aggregate maximum amount stated in the certificate. Such regulations may provide for conditioning such insurance, with respect to any loan, upon compliance by the lender with such requirements (to be stated or incorporated by reference in the certificate) as in the Commissioner's judgment will best achieve the purpose of this subsection while protecting the financial interest of the United States and promoting the objectives of this part, including (but not limited to) provisions as to the reporting of such loans and information relevant thereto to the Commissioner and as to the payment of initial and other premiums and the effect of default therein, and including provision for confirmation by the Commissioner from time to time (through endorsement of the certificate) of the coverage of specific new loans by such certificate, which confirmation shall be incontestable by the Commissioner in the absence of fraud or misrepresentation of fact or patent error.

(2) If the holder of a certificate of comprehensive insurance issued under this sub-

section grants to a student a line of credit extending beyond the cutoff date specified in that certificate, loans or payments thereon made by the holder after that date pursuant to the line of credit shall not be deemed to be included in the coverage of that certificate except as may be specifically provided therein; but, subject to the limitations of section 424, the Commissioner may, in accordance with regulations, make commitments to insure such future loans or payments, and such commitments may be honored either as provided in subsection (a) or by inclusion of such insurance in comprehensive coverage under this subsection for the period or periods in which such future loans or payments are made.

(c) The Commissioner shall, pursuant to regulations, charge for insurance on each loan under this part a premium in an amount not to exceed one-fourth of 1 per centum per year of the unpaid principal amount of such loan (excluding interest added to principal), payable in advance, at such time and in such manner as may be prescribed by the Commissioner. Such regulations may provide that such premium shall not be payable, or if paid shall be refundable, with respect to any period after default in the payment of principal or interest or after the borrower has died or become totally and permanently disabled, if (1) notice of such default or other event has been duly given, and (2) request for payment of the loss insured against has been made or the Commissioner has made such payment on his own motion pursuant to section 430(a).

(d) The rights of an eligible lender arising under insurance evidenced by a certificate of insurance issued to it under this section may be assigned as security by such lender only to another eligible lender, and subject to regulation by the Commissioner.

(e) The consolidation of the obligations of two or more insured loans obtained by a student borrower in any fiscal year into a single obligation evidenced by a single instrument of indebtedness shall not affect the insurance by the United States. If the loans thus consolidated are covered by separate certificates of insurance issued under subsection (a), the Commissioner may upon surrender of the original certificates issue a new certificate of insurance in accordance with that subsection upon the consolidated obligation; if they are covered by a single comprehensive certificate issued under subsection (b), the Commissioner may amend that certificate accordingly.

Procedure on Default, Death, or Disability of Student

SEC. 430. (a) Upon default by the student borrower on any loan covered by insurance pursuant to this part, or upon the death of the student borrower or a finding by the insurance beneficiary that the borrower has become totally and permanently disabled (as determined in accordance with regulations established by the Commissioner) before the loan has been repaid in full, and prior to the commencement of suit or other enforcement proceeding upon security for that loan, the insurance beneficiary shall promptly notify the Commissioner, and the Commissioner shall if requested (at that time or after further collection efforts) by the beneficiary, or may on his own motion, if the insurance is still in effect, pay to the beneficiary the amount of the loss sustained by the insured upon that loan as soon as that amount has been determined. The "amount of the loss" on any loan shall, for the purposes of this subsection and subsection (b), be deemed to be an amount equal to the unpaid balance of the principal amount of the loan.

(b) Upon payment by the Commissioner of the insured portion of the loss pursuant to subsection (a), the United States shall be subrogated to all of the rights of the holder of the obligation upon the insured loan and

shall be entitled to an assignment of the note or other evidence of the insured loan by the insurance beneficiary. If the net recovery made by the Commissioner on a loan after deduction of the cost of that recovery (including reasonable administrative costs) exceeds the amount of the loss, the excess shall be paid over to the insured.

(c) Nothing in this section or in this part shall be construed to preclude any forbearance for the benefit of the student borrower which may be agreed upon by the parties to the insured loan and approved by the Commissioner, or to preclude forbearance by the Commissioner in the enforcement of the insured obligation after payment on that insurance, or to require collection of the amount of any loan by the insurance beneficiary or by the Commissioner from the estate of a deceased borrower or from a borrower found by the insurance beneficiary to have become permanently and totally disabled.

(d) Nothing in this section or in this part shall be construed to excuse the holder of a loan from exercising reasonable care and diligence in the making and collection of loans under the provisions of this part. If the Commissioner, after reasonable notice and opportunity for hearing to an eligible lender, finds that it has substantially failed to exercise such care and diligence or to make the reports and statements required under section 428(a) (3) and section 429(a) (3), or to pay the required insurance premiums, he shall disqualify that lender for further insurance on loans granted pursuant to this part until he is satisfied that its failure has ceased and finds that there is reasonable assurance that the lender will in the future exercise necessary care and diligence or comply with such requirements, as the case may be.

(e) As used in this section—

(1) the term "insurance beneficiary" means the insured or its authorized assignee in accordance with section 429(d); and

(2) the term "default" includes only such defaults as have existed for (A) one hundred and twenty days in the case of a loan which is repayable in monthly installments, or (B) one hundred and eighty days in the case of a loan which is repayable in less frequent installments.

Insurance Fund

SEC. 431. (a) There is hereby established a student loan insurance fund (hereinafter in this section called the "fund") which shall be available without fiscal year limitation to the Commissioner for making payments in connection with the default of loans insured under this part. All amounts received by the Commissioner as premium charges for insurance and as receipts, earnings, or proceeds derived from any claim or other assets acquired by the Commissioner in connection with his operations under this part, and any other moneys, property, or assets derived by the Commissioner from his operations in connection with this section, shall be deposited in the fund. All payments in connection with the default of loans insured under this part shall be paid from the fund. Moneys in the fund not needed for current operations under this section may be invested in bonds or other obligations guaranteed as to principal and interest by the United States.

(b) If at any time the moneys in the fund are insufficient to make payments in connection with the default of any loan insured under this part, the Commissioner is authorized to issue to the Secretary of the Treasury notes or other obligations in such forms and denominations, bearing such maturities, and subject to such terms and conditions as may be prescribed by the Commissioner with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield

on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations issued hereunder and for that purpose he is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under that Act, as amended, are extended to include any purchases of such notes and obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this subsection. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States. Sums borrowed under this subsection shall be deposited in the fund and redemption of such notes and obligations shall be made by the Commissioner from such fund.

Legal Powers and Responsibilities

SEC. 432. (a) In the performance of, and with respect to, the functions, powers, and duties vested in him by this part, the Commissioner may—

(1) prescribe such regulations as may be necessary to carry out the purposes of this part;

(2) sue and be sued in any court of record of a State having general jurisdiction or in any district court of the United States, and such district courts shall have jurisdiction of civil actions arising under this part without regard to the amount in controversy, and any action instituted under this subsection by or against the Commissioner shall survive notwithstanding any change in the person occupying the office of Commissioner or any vacancy in that office; but no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against the Commissioner or property under his control, and nothing herein shall be construed to except litigation arising out of activities under this part from the application of sections 507(b) and 2679 of title 28 of the United States Code and of section 367 of the Revised Statutes (5 U.S.C. 316);

(3) include in any contract for insurance such terms, conditions, and covenants relating to repayment of principal and payment of interest, relating to his obligations and rights and to those of eligible lenders, and borrowers in case of default, and relating to such other matters as the Commissioner determines to be necessary to assure that the purposes of this part will be achieved; and any term, condition, and covenant made pursuant to this clause or any other provisions of this part may be modified by the Commissioner if he determines that modification is necessary to protect the financial interest of the United States;

(4) subject to the specific limitations in this part, consent to the modification, with respect to rate of interest, time of payment of any installment of principal and interest or any portion thereof, or any other provision of any note or other instrument evidencing a loan which has been insured under this part;

(5) enforce, pay, or compromise, any claim on, or arising because of, any such insurance; and

(6) enforce, pay compromise, waive, or release any right, title, claim, lien, or demand, however acquired, including any equity or any right or redemption.

(b) The Commissioner shall, with respect to the financial operations arising by reason of this part—

(1) prepare annually and submit a budget program as provided for wholly owned Gov-

ernment corporations by the Government Corporation Control Act; and

(2) maintain with respect to insurance under this part an integral set of accounts, which shall be audited annually by the General Accounting Office in accordance with principles and procedures applicable to commercial corporate transactions, as provided by section 105 of the Government Corporation Control Act, except that the transactions of the Commissioner, including the settlement of insurance claims and of claims for payments pursuant to section 428, and transactions related thereto and vouchers approved by the Commissioner in connection with such transactions, shall be final and conclusive upon all accounting and other officers of the Government.

Advisory Council on Insured Loans to Students

SEC. 433. (a) The Secretary shall establish in the Office of Education an Advisory Council on Insured Loans to Students, consisting of the Commissioner, who shall be Chairman, and eight members appointed, without regard to the civil service laws, by the Secretary. The membership of the Council shall include persons representing State loan insurance programs, private nonprofit loan insurance programs, financial and credit institutions, and institutions of higher education.

(b) The Advisory Council shall advise the Commissioner in the preparation of general regulations and with respect to policy matters arising in the administration of this part, including policies and procedures governing the making of advances under section 422 and the Federal payments to reduce student interest costs under section 428.

(c) Members of the Advisory Council, while serving on the business of the Advisory Council away from their homes or regular places of business, may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b-2), for persons in the Government service employed intermittently.

Participation by Federal Credit Unions in Federal, State, and Private Student Loan Insurance Programs.

SEC. 434. Notwithstanding any other provision of law, Federal credit unions shall, pursuant to regulations of the Director of the Bureau of Federal Credit Unions, have power to make insured loans up to 10 per centum of their assets, to student members in accordance with the provisions of this part or in accordance with the provisions of any State or nonprofit private student loan insurance program which meets the requirements of section 428(a)(1)(A).

Definitions for Reduced-Interest Student Loan Insurance Program

SEC. 435. As used in this part:

(a) The term "eligible institution" means an educational institution in any State which (1) admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such certificate, (2) is legally authorized within such State to provide a program of education beyond secondary education, (3) provides an educational program for which it awards a bachelor's degree or provides not less than a two-year program which is acceptable for full credit toward such a degree, (4) is a public or other nonprofit institution, and (5) is accredited by a nationally recognized accrediting agency or association approved by the Commissioner for this purpose or, if not so accredited, (A) is an institution with respect to which the Commissioner has determined that there is satisfactory assurance, considering the resources available to the institution, the period of time, if any, during

which it has operated, the effort it is making to meet accreditation standards, and the purpose for which this determination is being made, that the institution will meet the accreditation standards of such an agency or association within a reasonable time, or (B) is an institution whose credits are accepted on transfer by not less than three institutions which are so accredited, for credit on the same basis as if transferred from an institution so accredited. Such term also includes any public or other nonprofit collegiate or associate degree school of nursing and any school which provides not less than a one-year program of training to prepare students for gainful employment in a recognized occupation and which meets the provisions of clauses (1), (2), and (5). If the Commissioner determines that a particular category of such schools does not meet the requirements of clause (5) because there is no nationally recognized accrediting agency or association qualified to accredit schools in such category, he shall, pending the establishment of such an accrediting agency or association, appoint an advisory committee, composed of persons specially qualified to evaluate training provided by schools in such category, which shall (i) prescribe the standards of content, scope, and quality which must be met in order to qualify schools in such category to participate in the program pursuant to this part, and (ii) determine whether particular schools not meeting the requirements of clause (5) meet those standards. For purposes of this subsection, the Commissioner shall publish a list of nationally recognized accrediting agencies which he determines to be reliable authority as to the quality of training offered.

(b) The term "collegiate school of nursing" means a department, division, or other administrative unit in a college or university which provides primarily or exclusively an accredited program of education in professional nursing and allied subjects leading to the degree of bachelor of arts, bachelor of science, bachelor of nursing, or to an equivalent degree, or to a graduate degree in nursing.

(c) The term "associate degree school of nursing" means a department, division, or other administrative unit in a junior college, community college, college, or university which provides primarily or exclusively an accredited two-year program of education in professional nursing and allied subjects leading to an associate degree in nursing or to an equivalent degree.

(d) The term "accredited" when applied to any program of nurse education means a program accredited by a recognized body or bodies approved for such purpose by the Commissioner of Education.

(e) The term "eligible lender" means an eligible institution, or a financial or credit institution (including an insurance company) which is subject to examination and supervision by an agency of the United States or of any State.

(f) The term "line of credit" means an arrangement or agreement between the lender and the borrower whereby a loan is paid out by the lender to the borrower in annual installments, or whereby the lender agrees to make, in addition to the initial loan, additional loans in subsequent years.

Part C—College work-study program extension and amendments

Transfer of Authority and Other Amendments

SEC. 441. Parts C and D of title I of the Economic Opportunity Act of 1964 (Public Law 88-452) are amended as follows:

(1) By striking out "Director" in the first sentence of section 122(a) and inserting in lieu thereof "Commissioner of Education (hereinafter in this part referred to as the 'Commissioner')", and by striking out "Di-

rector" wherever that word appears in the other provisions of such part C and inserting in lieu thereof "Commissioner";

(2) By amending that part of section 121 that follows the section designation to read as follows: "The purpose of this part is to stimulate and promote the part-time employment of students, particularly students from low-income families, in institutions of higher education who are in need of the earnings from such employment to pursue courses of study at such institution.";

(3) By striking out section 123 and inserting in lieu thereof the following:

"Grants for Work-Study Programs"

"Sec. 123. (a) The Commissioner is authorized to enter into agreements with institutions of higher education under which the Commissioner will make grants to such institutions to assist in the operation of work-study programs as hereinafter provided.

"(b) For the purposes of this part—

"(1) The term 'institution of higher education' means an educational institution in any State which (A) admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such certificate, (B) is legally authorized within such State to provide a program of education beyond secondary education, (C) provides an educational program for which it awards a bachelor's degree or provides not less than a two-year program which is acceptable for full credit toward such a degree, (D) is a public or other nonprofit institution, and (E) is accredited by a nationally recognized accrediting agency or association approved by the Commissioner for this purpose or, if not so accredited, (i) is an institution with respect to which the Commissioner has determined that there is satisfactory assurance, considering the resources available to the institution, the period of time, if any, during which it has operated, the effort it is making to meet accreditation standards, and the purpose for which this determination is being made, that the institution will meet the accreditation standards of such an agency or association within a reasonable time, or (ii) is an institution whose credits are accepted on transfer by not less than three institutions which are so accredited, for credit on the same basis as if transferred from an institution so accredited. Such term also includes any public or other nonprofit collegiate or associate degree school of nursing and any school which provides not less than a one-year program of training to prepare students for gainful employment in a recognized occupation and which meets the provisions of clauses (A), (B), (D), and (E). If the Commissioner determines that a particular category of such schools does not meet the requirements of clause (E) because there is no nationally recognized accrediting agency or association qualified to accredit schools in such category, he shall, pending the establishment of such an accrediting agency or association, appoint an advisory committee, composed of persons specially qualified to evaluate training provided by schools in such category, which shall (I) prescribe the standards of content, scope, and quality which must be met in order to qualify schools in such category to participate in the program pursuant to this part, and (II) determine whether particular schools not meeting the requirements of clause (E) meet those standards. For purposes of this subsection, the Commissioner shall publish a list of nationally recognized accrediting agencies which he determines to be reliable authority as to the quality of training offered.

"(2) The term 'collegiate school of nursing' means a department, division, or other administrative unit in a college or university which provides primarily or exclusively an accredited program of education in professional nursing and allied subjects leading to

the degree of bachelor of arts, bachelor of science, bachelor of nursing, or to an equivalent degree, or to a graduate degree in nursing.

"(3) The term 'associate degree school of nursing' means a department, division, or other administrative unit in a junior college, community college, college, or university which provides primarily or exclusively an accredited two-year program of education in professional nursing and allied subjects leading to an associate degree in nursing or to an equivalent degree.

"(4) The term 'accredited' when applied to any program of nurse education means a program accredited by a recognized body or bodies approved for such purpose by the Commissioner.";

(4) By striking out section 124(a) and inserting in lieu thereof the following:

"(a) provide for the operation by the institution of a program for the part-time employment of its students in work for the institution itself or work in the public interest for a public or private nonprofit organization under an arrangement between the institution and such organization, and such work—

"(1) would not otherwise be performed by nonstudents,

"(2) will not result in the displacement of employed workers or impair existing contracts and services, and

"(3) will be governed by such conditions of employment as will be appropriate and reasonable in light of such factors as type of work performed, geographical region, and proficiency of the employee: *Provided*, That no such work shall involve the construction, operation, or maintenance of so much of any facility used or to be used for sectarian instruction or as a place for religious worship;"

(5) By redesignating clauses (2), (3), and (4), of paragraph (c) of section 124 as clauses (1), (2), and (3), and by striking out so much of such paragraph as precedes such redesignated clauses and inserting in lieu thereof the following: "(c) provide that in the selection of students for employment under such work-study program preference shall be given to students from low-income families and that employment under such work-study program shall be furnished only to a student who";

(6) By inserting before the period at the end of section 125 a comma and the following: "and such share may be paid to such student in the form of services and equipment (including tuition, room, board, and books) furnished by such institution"; and

(7) By striking out "provided for in" in section 131 and inserting in lieu thereof "for which he is responsible under".

Appropriations Authorized

SEC. 442. There are authorized to be appropriated \$129,000,000 for the fiscal year ending June 30, 1966, \$165,000,000 for the fiscal year ending June 30, 1967, \$200,000,000 for the fiscal year ending June 30, 1968, and \$235,000,000 for the fiscal year ending June 30, 1969, and for the succeeding fiscal year, to carry out the purposes of part C of title I of the Economic Opportunity Act of 1964 (Public Law 88-452). Any sums which are appropriated for the fiscal year ending June 30, 1966, for the purpose of such part C pursuant to an authorization in the Economic Opportunity Act of 1964, or are allocated for such purpose from any appropriation for such year, shall be made available, to the extent unexpended on the date of enactment of this Act, to the Commissioner for carrying out such part C, and the total of such sums (including amounts expended prior to such date) shall be deducted from the authorization in this section for such year. Sixty million dollars of the authorization for title I of the Economic Opportunity Act of 1964 for the fiscal year end-

ing June 30, 1966, as contained in section 131 of such Act, shall be only for the purpose of part C of such title. No provision in the Economic Opportunity Act of 1964 which authorizes the appropriation of funds to carry out that Act shall apply to such part C after June 30, 1966.

Part D—Amendments to National Defense Education Act of 1958

Definition of Institution of Higher Education

SEC. 461. Section 103(b) of the National Defense Education Act of 1958 is amended to read as follows:

"(b) The term 'institution of higher education' means an educational institution in any State which (1) admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such certificate, (2) is legally authorized within such State to provide a program of education beyond secondary education, (3) provides an educational program for which it awards a bachelor's degree or provides not less than a two-year program which is acceptable for full credit toward such a degree, (4) is a public or other nonprofit institution, and (5) is accredited by a nationally recognized accrediting agency or association approved by the Commissioner for this purpose or, if not so accredited, (A) is an institution with respect to which the Commissioner has determined that there is satisfactory assurance, considering the resources available to the institution, the period of time, if any, during which it has operated, the effort it is making to meet accreditation standards, and the purpose for which this determination is being made, that the institution will meet the accreditation standards of such an agency or association within a reasonable time, or (B) is an institution whose credits are accepted on transfer by not less than three institutions which are so accredited, for credit on the same basis as if transferred from an institution so accredited. For purposes of title II, such term includes any school of nursing as defined in subsection (1) of this section, and also includes any school which provides not less than a one-year program of training to prepare students for gainful employment in a recognized occupation and which meets the provisions of clauses (1), (2), (4), and (5). If the Commissioner determines that a particular category of such schools does not meet the requirements of clause (5) because there is no nationally recognized accrediting agency or association qualified to accredit schools in such category, he shall, pending the establishment of such an accrediting agency or association, appoint an advisory committee, composed of persons specially qualified to evaluate training provided by schools in such category, which shall (i) prescribe the standards of content, scope, and quality which must be met in order to qualify schools in such category to participate in the student loan program under title II, and (ii) determine whether particular schools not meeting the requirements of clause (5) meet those standards. For purposes of this subsection, the Commissioner shall publish a list of nationally recognized accrediting agencies or associations which he determines to be reliable authority as to the quality of training offered."

Conditions of Agreements; Administrative Costs

SEC. 462. Clause (3) of section 204 of the National Defense Education Act of 1958 is amended to read as follows:

"(3) provide that such student loan fund shall be used only for (A) loans to students in accordance with such agreement, (B) capital distributions as provided in this title, (C) routine expenses incurred by the institution in administering the student loan fund,

except that the amount used for these expenses by an institution in any fiscal year may not exceed either (i) one-half of such expenses as estimated for that year by the Commissioner with the advice of an advisory committee which the Commissioner is hereby authorized to appoint on an annual or such other basis as he may deem appropriate, or (ii) 1 per centum of the aggregate of the outstanding loans made from that fund as of the close of that year, whichever is the lesser, and (D) costs of litigation, and other collection costs agreed to by the Commissioner, arising in connection with the collection of any loan from the fund, interest on such loan, or charge assessed with respect to that loan pursuant to section 205(c);".

Technical Amendment for Part-time Students

SEC. 463. (a) The portion of section 205(b) (2) of the National Defense Education Act of 1958 which precedes clause (A) (ii) thereof is amended to read as follows:

"(2) such a loan shall be evidenced by a note or other written agreement which provides for repayment of the principal amount, together with interest thereon, in equal (or, if the borrower so requests, in graduated periodic installments determined in accordance with such schedules as may be approved by the Commissioner) quarterly, bimonthly, or monthly installments (at the option of the institution) over a period beginning nine months after the date on which the borrower ceases to carry, at an institution of higher education or at a comparable institution outside the States approved for this purpose by the Commissioner, at least one-half the normal full-time academic workload as determined by that institution, and ending ten years and nine months after such date, except that (A) interest shall not accrue on any such loan, and installments need not be paid during any period (i) during which the borrower is carrying, at an institution of higher education or at a comparable institution outside the States approved for this purpose by the Commissioner, at least one-half the normal full-time academic workload as determined by the institution,"

(b) Clause (D) of such section 205(b) (2) is amended by striking out "periodic", and by striking out "part-time" and inserting in lieu thereof "less than half-time".

(c) The amendments made by this section shall apply to a loan outstanding on the date of enactment of this Act only with the consent of the borrower and the institution which made the loan.

Minimum Rate of Repayment

SEC. 464. (a) Section 205(b) (2) of the National Defense Education Act of 1958 is further amended by striking out "and" before "(E)" and by inserting at the end thereof before the semicolon ", and (F) the institution may provide, in accordance with regulations of the Commissioner, that during the repayment period of the loan payments of principal and interest by the borrower with respect to all the outstanding loans made to him from loan funds established pursuant to this title shall be at a rate equal to not less than \$15 per month".

(b) The amendment made by this section shall be applicable only with respect to loans made after the date of enactment of this Act.

Cancellation of Loans for Teachers

SEC. 465. (a) Section 205(b) (3) of the National Defense Education Act of 1958 is amended—

(1) by inserting "total" before "amount" and by striking out ", which was unpaid on the first day of such service";

(2) by inserting "or its equivalent (as determined under regulations of the Commissioner)" after "academic year"; and

(3) by inserting before the semicolon at the end thereof a comma and the following: "except that (A) such rate shall be 15 per centum for each complete academic year or its equivalent (as determined under regulations of the Commissioner) of service as a full-time teacher in a public or other non-profit elementary or secondary school which is in the school district of a local educational agency which is eligible in such year for assistance pursuant to title II of Public Law 874, Eighty-first Congress, as amended, and which for purposes of this clause and for that year has been determined by the Commissioner, pursuant to regulations and after consultation with the State educational agency of the State in which the school is located, to be a school in which there is a high concentration of students from low-income families, except that the Commissioner shall not make such determination with respect to more than 25 per centum of the total of the public and other nonprofit elementary and secondary schools in any one State for any one year, and (B) for the purposes of any cancellation pursuant to clause (A), an additional 50 per centum of any such loan (plus interest) may be cancelled".

(b) The amendments made by clauses (1) and (3) of subsection (a) shall apply with respect to service performed during academic years beginning after the date of enactment of this Act, whether the loan was made before or after such enactment. The amendment made by clause (2) of subsection (a) shall apply with respect to service performed during academic years beginning after the enactment of the National Defense Education Act Amendments, 1964, Public Law 88-665, whether or not the loan was made before or after such enactment.

Charges

SEC. 466. (a) Section 205 of the National Defense Education Act of 1958 is further amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

"(c) Pursuant to regulations of the Commissioner, an institution may assess a charge with respect to a loan from the loan fund established by the institution pursuant to this title for failure of the borrower to pay all or any part of an installment when it is due and, in the case of a borrower who is entitled to deferment benefits under section 205(b) (2) or cancellation benefits under section 205(b) (3), for any failure to file timely and satisfactory evidence of such entitlement. The amount of any such charge may not exceed—

"(1) in the case of a loan which is repayable in monthly installments, \$1 for the first month or part of a month by which such installment or evidence is late and \$2 for each such month or part of a month thereafter; and

"(2) in the case of a loan which has a bi-monthly or quarterly repayment interval, \$3 and \$6, respectively, for each such interval or part thereof by which such installment or evidence is late.

The institution may elect to add the amount of any such charge to the principal amount of the loan as of the first day after the day on which such installment or evidence was due, or to make the amount of the charge payable to the institution not later than the due date of the next installment after receipt by the borrower of notice of the assessment of the charge."

(b) Clause (2) of section 204 of such Act is amended by striking out "and (D)" and inserting in lieu thereof "(D) charges collected pursuant to section 205(c), and (E)".

(c) The amendment made by subsection (a) shall be applicable only with respect to loans made after the date of enactment of this Act.

Economics, Civics, and Industrial Arts

SEC. 467. (a) (1) Clauses (1) and (5) of section 303(a) of the National Defense Education Act of 1958 are each amended by inserting "economics," after "geography,".

(2) Section 301 of such Act is amended by striking out "and \$90,000,000 for the fiscal year ending June 30, 1965, and for each of the three succeeding fiscal years" and inserting in lieu thereof "\$90,000,000" for the fiscal year ending June 30, 1965, and \$100,000,000 for the fiscal year ending June 30, 1966, and for each of the two succeeding fiscal years".

(b) Section 1101 of such Act is amended—

(1) by striking out "each of the three succeeding fiscal years" and inserting in lieu thereof "\$50,000,000 for the fiscal year ending June 30, 1966, and for each of the two succeeding fiscal years"; and

(2) by inserting "economics, civics, industrial arts," after "geography,".

TITLE V—TEACHER PROGRAMS

Part A—General provisions

Advisory Council on Teacher Preparation

SEC. 501. (a) The Commissioner shall establish in the Office of Education an Advisory Council on Teacher Preparation for the purpose of reviewing the administration and operation of the programs carried out under this title and of all other Federal programs for complementary purposes. This review shall pay particular attention to the effectiveness of these programs in attracting, preparing, and retaining highly qualified elementary and secondary school teachers, and it shall include recommendations for the improvement of these programs. The Council shall consist of the Commissioner, who shall be Chairman, and twelve members appointed for staggered terms and without regard to the civil service laws, by the Commissioner with the approval of the Secretary. Such twelve members shall include persons knowledgeable with respect to teacher preparation and the needs of urban and rural schools, and representatives of the general public.

(b) Members of such Advisory Council who are not regular full-time employees of the United States shall, while attending meetings or conferences of such Council or otherwise engaged on business of such Council, be entitled to receive compensation at a rate fixed by the Secretary, but not exceeding \$100 per diem, including traveltime, and, while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b-2) for persons in the Government service employed intermittently.

(c) The Council may appoint an Executive Secretary and such other employees as the Council deems necessary to carry out its functions under this part.

Limitation

SEC. 502. Nothing contained in this title shall be construed to authorize the making of any payment under this title for religious worship or instruction.

Statement of Purpose and Authorization of Appropriations

Part B—National Teacher Corps

SEC. 511. (a) The purpose of this part is to strengthen the educational opportunities available to children in areas having concentrations of low-income families and to encourage colleges and universities to broaden their programs of teacher preparation by—

(1) attracting and training qualified teachers who will be made available to local educational agencies for teaching in such areas; and

(2) attracting and training inexperienced teacher-interns who will be made available for teaching and inservice training to local educational agencies in such areas in teams led by an experienced teacher.

(b) For the purpose of carrying out this part, there are authorized to be appropriated \$36,100,000 for the fiscal year ending June 30, 1966, and \$64,715,000 for the fiscal year ending June 30, 1967, and for each of the four succeeding fiscal years.

Establishment of National Teacher Corps

SEC. 512. In order to carry out the purposes of this part, there is hereby established in the Office of Education a National Teacher Corps (hereinafter referred to as the "Teacher Corps"). The Teacher Corps shall be headed by a Director who shall be compensated at the rate prescribed for grade 17 of the General Schedule of the Classification Act of 1949, and a Deputy Director who shall be compensated at the rate prescribed for grade 16 of such General Schedule. The Director and the Deputy Director shall perform such duties as are delegated to them by the Commissioner.

Teacher Corps Program

Sec. 513. (a) For the purpose of carrying out this part, the Commissioner is authorized to—

(1) recruit, select, and enroll experienced teachers, and inexperienced teacher-interns who have a bachelor's degree or its equivalent, in the Teacher Corps for periods of up to two years;

(2) enter into arrangements, through grants or contracts, with institutions of higher education or State or local educational agencies to provide members of the Teacher Corps with such training as the Commissioner may deem appropriate to carry out the purposes of this part, including not more than three months of training for members before they undertake their teaching duties under this part;

(3) enter into arrangements (including the payment of the cost of such arrangements) with local educational agencies, after consultation in appropriate cases with State educational agencies and institutions of higher education, to furnish to local educational agencies, for service during regular or summer sessions, or both, in the schools of such agencies in areas having concentrations of children from low-income families, (A) experienced teachers, and (B) teaching teams, each of which shall consist of an experienced teacher and a number of teacher-interns who, in addition to teaching duties, shall be afforded time by the local educational agency for a teacher-intern training program developed according to criteria established by the Commissioner and carried out under the guidance of the experienced teacher in cooperation with an institution of higher education;

(4) pay to local educational agencies the amount of the compensation which such agencies pay to or on behalf of members of the Teacher Corps assigned to them pursuant to arrangements made pursuant to the preceding clause; and

(5) employ experts and consultants or organizations thereof to assist the Commissioner in carrying out his functions under this part, as authorized by section 15 of the Administrative Expenses Act of 1946 (5 U.S.C. 55a), and to compensate such individuals while so employed at rates not in excess of \$100 per diem, including travel-time, and to allow them, while away from their homes or regular places of business, travel expenses (including per diem in lieu of subsistence) as authorized by section 5 of such Act (5 U.S.C. 73b-2) for persons in the Government service employed intermittently.

(b) Arrangements with institutions of higher education to provide training for teacher-interns while teaching in schools for

local educational agencies under the provisions of this part shall provide, wherever possible, for training leading to a graduate degree.

(c) Whenever the Commissioner determines that the demand for the services of experienced teachers or of teaching teams furnished pursuant to clause (3) of subsection (a) exceeds the number of experienced teachers or teaching teams available from the Teacher Corps, the Commissioner shall, to the extent practicable, allocate experienced teachers or teaching teams, as the case may be from the Teacher Corps among the States in proportion to the number of children in each State counted for making basic grants under title II of Public Law 874, Eighty-first Congress, as amended, for the fiscal year for which the allocation is made.

(d) A local educational agency may utilize members of the Teacher Corps assigned to it in providing, in the manner described in section 205(a)(2) of Public Law 874, Eighty-first Congress, as amended, educational services in which children enrolled in private elementary and secondary schools can participate.

Compensation

SEC. 514. (a) An arrangement made with a local educational agency pursuant to paragraph (3) of section 513(a) shall provide for compensation by such agency of Teacher Corps members during the period of their assignment to it at the following rates:

(1) an experienced teacher who is not leading a teaching team shall be compensated at a rate which is equal to the rate paid by such agency for a teacher with similar training and experience who has been assigned similar teaching duties;

(2) an experienced teacher who is leading a teaching team shall be compensated at a rate agreed to by such agency and the Commissioner; and

(3) a teacher-intern shall be compensated at a rate which is equal to the lowest rate paid by such agency for teaching full time in the school system and grade to which the intern is assigned.

(b) For any period of training under this part the Commissioner shall pay to members of the Teacher Corps such stipends (including allowances for subsistence and other expenses for such members and their dependents) as he may determine to be consistent with prevailing practices under comparable federally supported training programs.

(c) The Commissioner shall pay the necessary travel expenses of members of the Teacher Corps and their dependents and necessary expenses for the transportation of the household goods and personal effects of such members and their dependents, and such other necessary expenses of members as are directly related to their service in the Corps, including readjustment allowances proportionate to service.

(d) The Commissioner is authorized to make such arrangements as may be possible, including the payment of any costs incident thereto, to protect the tenure, retirement rights, participation in a medical insurance program, and such other similar employee benefits as the Commissioner deems appropriate, of a member of the Teacher Corps who participates in any program under this part and who indicates his intention to return to the local educational agency or institution of higher education by which he was employed immediately prior to his service under this part.

Application of Provisions of Federal Law

SEC. 515. (a) Except as otherwise specifically provided in this section, a member of the Teacher Corps shall be deemed not to be a Federal employee and shall not be subject to the provisions of laws relating to Federal employment, including those relating to

hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits.

(b) (1) Such members shall, for the purposes of the administration of the Federal Employees' Compensation Act (5 U.S.C. 751 et seq.), be deemed to be civil employees of the United States within the meaning of the term "employee" as defined in section 40 of such Act (5 U.S.C. 790) and the provisions thereof shall apply except as hereinafter provided.

(2) For purposes of this subsection:

(A) the term "performance of duty" in the Federal Employees' Compensation Act shall not include any act of a member of the Teacher Corps—

(i) while on authorized leave; or

(ii) while absent from his assigned post of duty, except while participating in an activity authorized by or under the direction or supervision of the Commissioner; and

(B) in computing compensation benefits for disability or death under the Federal Employees' Compensation Act, the monthly pay of a member of the Teacher Corps shall be deemed to be his actual pay or that received under the entrance salary for grade 6 of the General Schedule of the Classification Act of 1949, whichever is greater.

(c) Such members shall be deemed to be employees of the Government for the purposes of the Federal tort claims provisions of title 28, United States Code.

Local Control Preserved

SEC. 516. Members of the Teacher Corps shall be under the direct supervision of the appropriate officials of the local educational agencies to which they are assigned. Except as otherwise provided in clause (3) of section 513(a), such agencies shall retain the authority to—

(1) assign such members within their systems;

(2) make transfers within their systems;

(3) determine the subject matter to be taught;

(4) determine the terms and continuance of the assignment of such members within their systems.

Maintenance of Effort

SEC. 517. No member of the Teacher Corps shall be furnished to any local educational agency under the provisions of this part if such agency will use such member to replace any teacher who is or would otherwise be employed by such agency.

Part C—Fellowships for teachers

Statement of Purpose

SEC. 521. It is the purpose of this part to provide opportunities for advanced training, giving major emphasis to preparation in high quality substantive courses, to teachers in elementary, secondary, and postsecondary vocational schools and personnel serving in fields ancillary to teaching in such schools.

Fellowships Authorized

SEC. 522. (a) The Commissioner is authorized to award under the provisions of this part not to exceed four thousand five hundred fellowships for the fiscal year ending June 30, 1966, ten thousand fellowships for the fiscal year ending June 30, 1967, and fifteen thousand fellowships for the fiscal year ending June 30, 1968, and for each of the two succeeding fiscal years. Fellowships awarded under the provisions of this part shall be for graduate study (leading to a masters or equivalent degree in the field of education) for the purpose of teaching in elementary, secondary, or postsecondary vocational schools, or for graduate study (leading to a similar degree) in the subject matter which the person awarded such fellowship is or will be teaching in such schools. Such fellowships may also be awarded in fields ancillary to elementary, secondary, and postsecondary vocational education such

as library science, educational media, school social work, guidance and counseling, special education for handicapped children, vocational education, and other fields having the purpose of assisting or improving elementary or secondary, or postsecondary vocational education. Such fellowships shall be awarded for such periods as the Commissioner may determine but not to exceed two academic years.

(b) In addition to the number of fellowships authorized to be awarded by subsection (a) of this section, the Commissioner is authorized to award fellowships equal to the number previously awarded during any fiscal year under this part but vacated prior to the end of the period for which they were awarded; except that each fellowship awarded under this subsection shall be for such period of study, not in excess of the remainder of the period for which the fellowship which it replaces was awarded, as the Commissioner may determine.

Fellowships for Recent Graduates

SEC. 523. Forty per centum of the number of fellowships under the provisions of this part for any fiscal year shall be awarded by the Commissioner to persons recommended to the Commissioner for such fellowships by institutions of higher education. An institution of higher education may for the purposes of this section recommend any individual who has received a bachelor's degree with high standing from such institution, except that such recommendation shall be made not later than six months after the awarding of such degree.

Fellowships for Experienced Teachers

SEC. 524. The remaining 60 per centum of the number of fellowships awarded under the provisions of this part for any fiscal year shall be awarded by the Commissioner to persons with at least five academic years of professional experience serving in an elementary, secondary, or postsecondary vocational school, who are recommended to the Commissioner for such a fellowship by a local educational agency or a private school authority. Such an agency or authority may, for the purposes of this section, recommend any such person who is serving in its elementary, secondary, or postsecondary vocational school or schools upon condition that it agree to rehire such individual upon his completing the course of study under such fellowship.

Fellowships in Ancillary Fields

SEC. 525. Not less than 20 per centum nor more than 25 per centum of the fellowships awarded under sections 523 and 524 shall be awarded to persons for graduate work in fields ancillary to elementary, secondary, or postsecondary vocational education, as defined in section 522.

Fellowships for Displaced Experienced Teachers

SEC. 526. Not to exceed 20 per centum of the fellowships awarded under section 524 may be awarded to persons who have been displaced in their employment as professional employees of local educational agencies as a result of changes of school populations brought about by the enforcement of the Civil Rights Act of 1964, or the carrying out of the purpose of such Act. Fellowships pursuant to this section shall be awarded by the Commissioner without regard to the requirements of section 524 with respect to recommendations and agreements to rehire.

Distribution of Fellowships

SEC. 527. In awarding fellowships under the provisions of this part the Commissioner shall endeavor to provide an equitable distribution of such fellowships throughout the Nation, except that to the extent he deems proper in the national interest, the Commissioner shall give preference in such awards to

persons already serving, or who intend to serve, in elementary or secondary schools in low-income rural or metropolitan areas.

Stipends

SEC. 528. (a) Each person awarded a fellowship under the provisions of section 523 shall receive a stipend of \$2,000 for the first academic year of study and \$2,200 for the second such year. Each person awarded a fellowship under the provisions of section 524 shall receive a stipend of \$4,800 for each academic year of study. In both cases an additional amount of \$400 for each such academic year of study shall be paid to each such person on account of each of his dependents.

(b) In addition to the amount paid to persons pursuant to subsection (a) there shall be paid to the institution of higher education at which each such person is pursuing his course of study, \$3,000 per academic year. Amounts paid pursuant to this subsection shall be less any amount charged any such person for tuition.

(c) The Commissioner shall reimburse any person awarded a fellowship pursuant to this part for actual and necessary traveling expenses of such person and his dependents from his ordinary place of residence to the institution of higher education where he will pursue his studies under such fellowship, and to return to such residence.

Limitation

SEC. 529. No fellowship shall be awarded under this part for study at a school or department of divinity. For the purposes of this section, the term "school or department of divinity" means an institution or department or branch of an institution, whose program is specifically for the education of students to prepare them to become ministers of religion or to enter upon some other religious vocation or to prepare them to teach theological subjects.

Fellowship Conditions

SEC. 530. A person awarded a fellowship under the provisions of this part shall continue to receive the payments provided in section 528(a) only during such periods as the Commissioner finds that he is maintaining satisfactory proficiency in, and devoting essentially full time to, study or research in the field in which such fellowship was awarded, in an institution of higher education, and is not engaging in gainful employment other than part-time employment by such institution in teaching, research, or similar activities, approved by the Commissioner.

Appropriations

SEC. 531. There are authorized to be appropriated such amounts as may be necessary to carry out the provisions of this part.

Part D—Grants to institutions of higher education for improved teacher education

Appropriations Authorized

SEC. 541. There are authorized to be appropriated \$5,000,000 for the fiscal year ending June 30, 1966, and for each of the four succeeding fiscal years, for the purpose of carrying out this part.

Grants for Improved Teacher Education

SEC. 542. (a) For the purpose of obtaining an appropriate geographical distribution of high-quality programs for the training of personnel for elementary, secondary, and postsecondary vocational education, the Commissioner is authorized, on such terms and conditions as he may deem appropriate, to make grants to and contracts with institutions of higher education to pay part of the cost of developing or strengthening graduate programs which meet the requirements of subsection (b) and of developing or strengthening high-quality undergraduate programs for the training of such personnel. The Commissioner shall set forth in regula-

tions the standards and priorities which will be utilized in approving such grants and contracts. The Commissioner may employ experts and consultants, as authorized by section 15 of the Administrative Expenses Act of 1946 (5 U.S.C. 55a), to advise him with respect to the making of grants and contracts under this part and in carrying out the provisions of part C. Experts and consultants employed pursuant to this subsection may be compensated while so employed at rates not in excess of \$100 per diem, including travel time, and may be allowed, while away from their homes or regular places of business, travel expenses (including per diem in lieu of subsistence) as authorized by section 5 of such Act (5 U.S.C. 73b-2) for persons in the Government service employed intermittently.

(b) The Commissioner shall approve a graduate program of an institution of higher education for assistance under this part only upon application by the institution and only upon his finding—

(1) that such program will substantially further the objective of improving the quality of education of persons who are pursuing or intend to pursue a career in elementary, secondary, or postsecondary vocational education,

(2) that such program gives major emphasis to high-quality substantive courses,

(3) that such program is of high quality and either is in effect or will be attainable as a result of assistance received under this part, and

(4) that only persons who demonstrate a serious intent to pursue or to continue to pursue a career in elementary, secondary, or postsecondary vocational education will be accepted for study in the program.

TITLE VI—FINANCIAL ASSISTANCE FOR THE IMPROVEMENT OF UNDERGRADUATE INSTRUCTION

Part A—Equipment

Statement of Purpose and Authorization of Appropriations

SEC. 601. (a) The purpose of this part is to improve the quality of classroom instruction in selected subject areas in institutions of higher education.

(b) There are hereby authorized to be appropriated \$35,000,000 for the fiscal year ending June 30, 1966, \$50,000,000 for the fiscal year ending June 30, 1967, and \$60,000,000 for the fiscal year ending June 30, 1968, and for each of the two succeeding fiscal years, to enable the Commissioner to make grants to institutions of higher education pursuant to this part for the acquisition of equipment and for minor remodeling described in section 603(2)(A).

(c) There are also authorized to be appropriated \$2,500,000 for the fiscal year ending June 30, 1966, and \$10,000,000 for the fiscal year ending June 30, 1967, and for each of the three succeeding fiscal years, to enable the Commissioner to make grants to institutions of higher education pursuant to this part for the acquisition of television equipment and for minor remodeling described in section 603(2)(B).

(d) There is also authorized to be appropriated a sum not exceeding \$1,000,000 for the fiscal year ending June 30, 1966, and for each of the four succeeding fiscal years, to enable the Commissioner to make grants in such amounts as he may consider necessary for the proper and efficient administration of the State plans approved under this part including expenses which he determines are necessary for the preparation of such plans.

Allotments to States

SEC. 602. (a) (1) Of the funds appropriated pursuant to subsections (b) and (c) of section 601 for any fiscal year one-half shall be allotted by the Commissioner among the States so that the allotment to each State will be an amount which bears the same ratio to such one-half as the number of stu-

dents enrolled in institutions of higher education in such State bears to the total number of students enrolled in such institutions in all the States; and the remaining one-half shall be allotted by him among the States in accordance with paragraph (2) of this subsection. For the purposes of this subsection, (A) the number of students enrolled in institutions of higher education shall be deemed to be equal to the sum of (i) the number of full-time students and (ii) the full-time equivalent of the number of part-time students as determined by the Commissioner in accordance with regulations; and (B) determinations as to enrollment shall be made by the Commissioner on the basis of data for the most recent year for which satisfactory data with respect to such enrollment are available to him.

(2) For the purposes of this paragraph the Commissioner shall allot to each State for each fiscal year an amount which bears the same ratio to the funds being allotted pursuant to this paragraph as the product of—

(A) the number of students enrolled in institutions of higher education in such State, and

(B) the State's allotment ratio bears to the sum of the corresponding products for all the States. For the purposes of this paragraph the allotment ratio for any State shall be 1.00 less the product of (i) 0.50 and (ii) the quotient obtained by dividing the income per person for the State by the income per person for all the States (not including Puerto Rico, the Virgin Islands, American Samoa, and Guam), except that the allotment ratio shall in no case be less than 0.33% or more than 0.66%, and the allotment ratio for Puerto Rico, the Virgin Islands, American Samoa, and Guam shall be 0.66%. The allotment ratios shall be promulgated by the Commissioner as soon as possible after enactment of this Act, and annually thereafter, on the basis of the average of the incomes per person of the States and of all the States for the three most recent consecutive calendar years for which satisfactory data are available from the Department of Commerce.

(b) (1) A State's allotment under subsection (a) from funds appropriated pursuant to section 601(b) shall be available in accordance with the provisions of this part for payment of the Federal share (as determined under section 604) of the cost of equipment and minor remodeling described in section 603(2) (A).

(2) A State's allotment under subsection (a) from funds appropriated pursuant to section 601(c) shall be available in accordance with the provisions of this part for payment of the Federal share (as determined under section 604) of the cost of television equipment and minor remodeling described in section 603(2) (B).

(c) Sums allotted to a State for the fiscal year ending June 30, 1966, shall remain available for reservation as provided in section 606 until the close of the next fiscal year, in addition to the sums allotted to such State for such next fiscal year. Sums allotted to a State for the fiscal year ending June 30, 1967, or for any succeeding fiscal year, which are not reserved as provided in section 606 by the close of the fiscal year for which they are allotted, shall be reallocated by the Commissioner, on the basis of such factors as he determines to be equitable and reasonable, among the States which, as determined by the Commissioner, are able to use without delay any amounts so reallocated. Amounts reallocated under this subsection shall be available for reservation until the close of the fiscal year next succeeding the fiscal year for which they were originally allotted.

State Commissions and Plans

SEC. 603. Any State desiring to participate in the program under this part shall design-

ate for that purpose an existing State agency which is broadly representative of the public and of institutions of higher education in the State, or, if no such State agency exists, shall establish such a State agency, and submit to the Commissioner through the agency so designated or established (hereafter in this part referred to as the "State commission"), a State plan for such participation. The Commissioner shall approve any such plan which—

(1) provides that it shall be administered by the State commission;

(2) sets forth, consistently with basic criteria prescribed by regulation pursuant to section 604, objective standards and methods (A) for determining the relative priorities of eligible projects for the acquisition of laboratory and other special equipment (other than supplies consumed in use), including audiovisual materials and equipment for classrooms or audiovisual centers, and printed and published materials (other than textbooks) for classrooms or libraries, suitable for use in providing education in science, mathematics, foreign languages, history, geography, government, English, other humanities, the arts, or education at the undergraduate level in institutions of higher education, and minor remodeling of classroom or other space used for such materials or equipment; (B) for determining relative priorities of eligible projects for (i) the acquisition of television equipment for closed-circuit direct instruction in such fields in such institutions (including equipment for fixed-service instructional television, as defined by the Federal Communications Commission, but not including broadcast transmission equipment), (ii) the acquisition of necessary instructional materials for use in such television instruction, and (iii) minor remodeling necessary for such television equipment; and (C) for determining the Federal share of the cost of each such project;

(3) provides (A) for assigning priorities solely on the basis of such criteria, standards, and methods to eligible projects submitted to the State commission and deemed by it to be otherwise approvable under the provisions of this part; and (B) for approving and recommending to the Commissioner, in the order of such priority, applications covering such eligible projects, and for certifying to the Commissioner the Federal share, determined by the State commission under the State plan, of the cost of the project involved;

(4) provides for affording to every applicant, which has submitted to the State commission a project, an opportunity for a fair hearing before the commission as to the priority assigned to such project or as to any other determination of the commission adversely affecting such applicant; and

(5) provides (A) for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the State commission under this part, and (B) for the making of such reports, in such form and containing such information, as may be reasonably necessary to enable the Commissioner to perform his functions under this part.

Basic Criteria for Determining Priorities, Federal Share, and Maintenance of Effort

SEC. 604. (a) As soon as practicable after the enactment of this Act the Commissioner shall by regulation prescribe basic criteria to which the provisions of State plans setting forth standards and methods for determining relative priorities of eligible projects, and the application of such standards and methods to such projects under such plans, shall be subject. Such basic criteria (1) shall be such as will best tend to achieve the objectives of this part while leaving

opportunity and flexibility for the development of State plan standards and methods that will best accommodate the varied needs of institutions in the several States, and (2) shall give special consideration to the financial need of the institution. Subject to the foregoing requirements, such regulations may establish additional and appropriate basic criteria, including provision for considering the degree to which applicant institutions are effectively utilizing existing facilities and equipment, provision for allowing State plans to group or provide for grouping in a reasonable manner, facilities or institutions according to functional or educational type for priority purposes, and, in view of the national objectives of this Act, provision for considering the degree to which the institution serves students from two or more States or from outside the United States; and, in no event shall an institution's readiness to admit such out-of-State students be considered as a priority factor adverse to such institution.

(b) The Federal share for the purposes of this part shall be 50 per centum of the cost of the project, except that a State commission may increase such share to not to exceed 80 per centum of such cost in the case of any institution proving insufficient resources to participate in the program under this part and inability to acquire such resources. An institution of higher education shall be eligible for a grant for a project pursuant to this part in any fiscal year only if such institution will expend during such year for the same purposes as, but not pursuant to, this part an amount at least equal to the amount expended by such institution for such purposes during the previous fiscal year. The Commissioner shall establish basic criteria for making determinations under this subsection.

Applications for Grants and Conditions for Approval

SEC. 605. (a) Institutional of higher education which desire to obtain grants under this part shall submit applications therefor at such time or times and in such manner as may be prescribed by the Commissioner, and such applications shall contain such information as may be required by or pursuant to regulation for the purpose of enabling the Commissioner to make the determinations required to be made by him under this part.

(b) The Commissioner shall approve an application covering a project under this part and meeting the requirements prescribed pursuant to subsection (a) if—

(1) the project has been approved and recommended by the appropriate State commission;

(2) the State commission has certified to the Commissioner, in accordance with the State plan, the Federal share of the cost of the project, and sufficient funds to pay such Federal share are available from the applicable allotment of the State (including any applicable reallocation to the State);

(3) the project has, pursuant to the State plan, been assigned a priority that is higher than that of all other projects within such State (chargeable to the same allotment) which meet all the requirements of this section (other than this clause) and for which Federal funds have not yet been reserved;

(4) the Commissioner determines that the project will be undertaken in an economical manner and will not be overly elaborate or extravagant; and

(5) the Commissioner determines that the application contains or is supported by satisfactory assurances—

(A) that Federal funds received by the applicant will be used solely for defraying the cost of the project covered by such application,

(B) that sufficient funds will be available to meet the non-Federal portion of such cost and to provide for the effective use of the equipment upon completion, and

(C) that the institution will meet the maintenance of effort requirement in section 604(b).

(b) Amendments of applications shall, except as the Commissioner may otherwise provide by or pursuant to regulation, be subject to approval in the same manner as original applications.

Amount of Grant—Payment

SEC. 606. Upon his approval of any application for a grant under this part, the Commissioner shall reserve from the applicable allotment (including any applicable reallocation) available therefor, the amount of such grant, which (subject to the limits of such allotment or reallocation) shall be equal to the Federal share of the cost of the project covered by such application. The Commissioner shall pay such reserve amount, in advance or by way of reimbursement, and in such installments as he may determine. The Commissioner's reservation of any amount under this section may be amended by him, either upon approval of an amendment of the application covering such project or upon revision of the estimated cost of a project with respect to which such reservation was made, and in the event of an upward revision of such estimated cost approved by him he may reserve the Federal share of the added cost only from the applicable allotment (or reallocation) available at the time of such approval.

Administration of State Plans

SEC. 607. (a) The Commissioner shall not finally disapprove any State plan submitted under this part, or any modification thereof, without first affording the State commission submitting the plan reasonable notice and opportunity for a hearing.

(b) Whenever the Commissioner, after reasonable notice and opportunity for hearing to the State commission administering a State plan approved under this part, finds—

(1) that the State plan has been so changed that it no longer complies with the provisions of section 603, or

(2) that in the administration of the plan there is a failure to comply substantially with any such provision,

the Commissioner shall notify such State commission that the State will not be regarded as eligible to participate in the program under this part until he is satisfied that there is no longer any such failure to comply.

Judicial Review

SEC. 608. (a) If any State is dissatisfied with the Commissioner's final action with respect to the approval of its State plan submitted under this part or with his final action under section 607, such State may appeal to the United States court of appeals for the circuit in which such State is located. The summons and notice of appeal may be served at any place in the United States. The Commissioner shall forthwith certify and file in the court the transcript of the proceedings and the record on which he based his action.

(b) The findings of fact by the Commissioner, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Commissioner to take further evidence, and the Commissioner may thereupon make new or modified findings of fact and may modify his previous action, and shall certify to the court the transcript and record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

(c) The court shall have jurisdiction to affirm the action of the Commissioner or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States

upon certiorari or certification as provided in title 28, United States Code, section 1254.

Limitation on Payments

SEC. 609. Nothing contained in this part shall be construed to authorize the making of any payment under this part for any equipment or materials for religious worship or instruction.

Part B—Faculty development programs

Institutes Authorized

SEC. 621. There are authorized to be appropriated \$5,000,000 for the fiscal year ending June 30, 1966, and for each of the four succeeding fiscal years, to enable the Commissioner to arrange, through grants or contracts, with institutions of higher education for the operation by them of short-term workshops or short-term or regular-session institutes for individuals (1) who are engaged in, or preparing to engage in, the use of educational media equipment in teaching in institutions of higher education, or (2) who are, or are preparing to be, in institutions of higher education, specialists in educational media or librarians or other specialists using such media.

Stipends

SEC. 622. Each individual who attends an institute operated under the provisions of this part shall be eligible (after application therefor) to receive a stipend at the rate of \$75 per week for the period of his attendance at such institute and each such individual with one or more dependents shall receive an additional stipend at the rate of \$15 per week for each dependent. No stipends shall be paid for attendance at workshops.

TITLE VII—AMENDMENTS TO HIGHER EDUCATION FACILITIES ACT OF 1963

Expansion of Grant Purposes

SEC. 701. (a) Section 106 of the Higher Education Facilities Act of 1963 is amended to read as follows:

"Eligibility for Grants

"SEC. 106. An institution of higher education shall be eligible for a grant for construction of an academic facility under this title only if such construction will, either alone or together with other construction to be undertaken within a reasonable time, (1) result in an urgently needed substantial expansion of the institution's student enrollment capacity or capacity to carry out extension and continuing education programs, or (2) in the case of a new institution of higher education, result in creating urgently needed enrollment capacity or capacity to carry out extension and continuing education programs."

(b) The first sentence of section 101(b) of the Higher Education Facilities Act of 1963 is amended by striking out "and each of the two succeeding fiscal years" and inserting in lieu thereof "and for the succeeding fiscal year, and the sum of \$330,000,000 for the fiscal year ending June 30, 1966".

(c) The second sentence of section 201 of such Act is amended by striking out "and the sum of \$60,000,000 each for the fiscal year ending June 30, 1965, and the succeeding fiscal year" and inserting in lieu thereof "the sum of \$60,000,000 for the fiscal year ending June 30, 1965, and the sum of \$120,000,000 for the fiscal year ending June 30, 1966".

Technical amendments

Making Section 103 Allotments Available for Section 104 Institutions Under Certain Circumstances

SEC. 702. (a) (1) Section 103(b) of the Higher Education Facilities Act of 1963 is amended by inserting "(1)" immediately after "(b)" in such section and by adding at the end thereof:

"(2) Notwithstanding other provisions of

this title to the contrary, a State's allotment for any fiscal year pursuant to this section shall, at the request of the Governor of such State, be available, in accordance with the provisions of this title, for payment of the Federal share (as determined under sections 108(b)(3) and 401(d)) of the development cost of approved projects for the construction of academic facilities within such State for public institutions of higher education other than public community colleges and public technical institutes."

(2) The first sentence of section 103(c) is amended by striking out "for providing academic facilities for public community colleges or public technical institutes" and inserting in lieu thereof "for the purposes set forth in subsection (b) of this section".

(3) Clause (3) of section 105(a) is amended by inserting "(except as provided in section 103(b)(2))" after "section 103 will be available".

Making Section 104 Allotments Available for Section 103 Institutions Under Certain Circumstances

(b) (1) Section 104(b) of the Higher Education Facilities Act of 1963 is amended by inserting "(1)" immediately after "(b)" in such section and by adding at the end thereof:

"(2) Notwithstanding other provisions of this title to the contrary, a State's allotment for any fiscal year pursuant to this section shall, at the request of the Governor of such State, be available, in accordance with the provisions of this title, for payment of the Federal share (as determined under sections 108(b)(3) and 401(d)) of the development cost of approved projects for the construction of academic facilities within such State for public community colleges and public technical institutes."

(2) The first sentence of section 104(c) is amended by striking out "for providing academic facilities for institutions of higher education other than public community colleges and public technical institutes" and inserting in lieu thereof "for the purposes set forth in subsection (b) of this section".

(3) Clause (3) of section 105(a) is amended by inserting "(except as provided in section 104(b)(2))" after "section 104 will be available".

Revising Federal Share for Public Community Colleges and Public Technical Institutes

(c) (1) Section 105(a)(2) of the Higher Education Facilities Act of 1963 is amended by striking out "other than a project for a public community college or public technical institute".

(2) Section 107(b) of such Act is amended (1) by striking out "other than a project for a public community college or public technical institute", and (2) by striking out "shall be 40 per centum" and inserting in lieu thereof "shall in no event exceed 40 per centum".

(3) Section 401(d) of such Act is amended by inserting immediately before "40 per centum" the following: "a percentage (as determined under the applicable State plan) not in excess of".

Indefinite Availability of Sums Appropriated Under Section 201

(d) The last sentence of section 201 of the Higher Education Facilities Act of 1963 is amended to read as follows: "Sums so appropriated shall remain available until expended for grants under this title."

Two-Year Availability of Title III Funds

(e) Section 303(c) of the Higher Education Facilities Act of 1963 is amended by adding at the end the following new sentence: "Sums appropriated pursuant to this subsection for any fiscal year shall remain available for loans under this title until the end of the next succeeding fiscal year."

Coordination With Part A (Grants for Expansion and Improvement of Nurse Training) of Title VIII of the Public Health Service Act

(f) Effective with respect to applications for grants and loans submitted after the date of enactment of this Act, clause (E) of section 401(a)(2) of the Higher Education Facilities Act of 1963 is amended to read as follows: "(E) any facility used or to be used by a school of medicine, school of dentistry, school of osteopathy, school of pharmacy, school of optometry, school of podiatry, or school of public health as these terms are defined in section 724 of the Public Health Service Act, or a school of nursing as defined in section 843 of that Act."

TITLE VIII—GENERAL PROVISIONS

Definitions

SEC. 801. As used in this Act—

(a) The term "institution of higher education" means an educational institution in any State which (1) admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such a certificate, (2) is legally authorized within such State to provide a program of education beyond secondary education, (3) provides an educational program for which it awards a bachelor's degree or provides not less than a two-year program which is acceptable for full credit toward such a degree, (4) is a public or other nonprofit institution, and (5) is accredited by a nationally recognized accrediting agency or association or, if not so accredited, is an institution whose credits are accepted, on transfer, by not less than three institutions which are so accredited, for credit on the same basis as if transferred from an institution so accredited. Such term also includes any business school or technical institution which meets the provisions of clauses (1), (2), (4), and (5). For purposes of this subsection, the Commissioner shall publish a list of nationally recognized accrediting agencies or associations which he determines to be reliable authority as to the quality of training offered.

(b) The term "State" includes, in addition to the several States of the Union, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, and the Virgin Islands.

(c) The term "nonprofit" as applied to a school, agency, organization, or institution means a school, agency, organization, or institution owned and operated by one or more nonprofit corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

(d) The term "secondary school" means a school which provides secondary education as determined under State law except that it does not include any education provided beyond grade 12.

(e) The term "Secretary" means the Secretary of Health, Education, and Welfare.

(f) The term "Commissioner" means the Commissioner of Education.

(g) The term "local educational agency" means a public board of education or other public authority legally constituted within a State for either administrative control or direction of, or to perform a service function for, public elementary, secondary, or postsecondary vocational schools in a city, county, township, school district, or other political subdivision of a State, or such combination of school districts or counties as are recognized in a State as an administrative agency for its public elementary, secondary, or postsecondary vocational schools. Such term also includes any other public institution or agency having administrative control and direction of a public elementary, secondary, or postsecondary vocational school.

(h) The term "State educational agency" means the State board of education or other agency or officer primarily responsible for the State supervision of public elementary and secondary schools, or, if there is no such officer or agency, an officer or agency designated by the Governor or by State law.

(i) The term "elementary school" means a school which provides elementary education including education below grade 1, as determined under State law.

Method of Payment

SEC. 802. Payments under this Act to any individual or to any State or Federal agency, institution of higher education, or any other organization, pursuant to a grant, loan, or contract, may be made in installments, and in advance or by way of reimbursement, and, in the case of grants or loans, with necessary adjustments on account of overpayments or underpayments.

Federal Administration

SEC. 803. (a) The Commissioner is authorized to delegate any of his functions under this Act, except the making of regulations, to any officer or employee of the Office of Education.

(b) In administering the titles of this Act for which he is responsible, the Commissioner is authorized to utilize the services and facilities of any agency of the Federal Government and of any other public or nonprofit agency or institution, in accordance with agreements between the Secretary and the head thereof.

(c) In carrying out his functions under this or any other Act, the Commissioner is authorized to contract for the publication of educational and related information so as to further the full dissemination of information of educational value consistent with the national interest, without regard to the provisions of section 87 of the Act of January 12, 1895 (28 Stat. 622), and section 11 of the Act of March 1, 1919 (40 Stat. 1270; 44 U.S.C. 111).

Federal Control of Education Prohibited

SEC. 804. Nothing contained in this Act shall be construed to authorize any department, agency, officer, or employee of the United States to exercise and direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution, or over the selection of library resources by any educational institution.

Mr. MANSFIELD. Mr. President, if the Senator from Utah will yield further, there will be no further legislation, to my knowledge, considered in the Senate this afternoon. Therefore, there will be no votes.

Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in recess until 12 o'clock tomorrow.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. MANSFIELD. And that at the conclusion of the prayer, rather than having a morning hour, the Senate resume consideration of the higher education bill.

The VICE PRESIDENT. That request is not necessary. Since the Senate will recess when it concludes its business today, there will be no morning hour tomorrow.

NORTH AMERICAN WATER AND POWER ALLIANCE—RESOLUTION

Mr. MOSS. Mr. President, 1965 might be called the year of the great water

paradox. Almost the entire Nation has had unusual weather.

In the Northeast, where people serenely assumed water would always be bountiful, there is a record-shattering drought from New Hampshire to West Virginia. Some of our densest areas of population and heaviest concentrations of industry face the fearful possibility that they will be out of water by mid-winter.

Near-record snows and heavy spring rains in the upper Mississippi Valley spread devastating floods all the way from Minnesota to Missouri. Midwestern plains which are often tinder dry were inundated, and city streets awash. It seemed for a time there in April that the rains would never stop.

In the Rocky Mountain area, and other parts of the arid and semiarid West, we have had one of the best water seasons in years. There has been persistent, above-normal rainfall on a broad front extending from Arizona and southern California northeastward to the northern Rockies. Cool, clear water for our farms and our homes has filled our reservoirs to their highest levels in years. Even the Great Salt Lake, which has been steadily receding for a number of years, has done an about-face, and its salty waters are lapping at lands which have not been submerged for more than a decade.

The Pacific Northwest, an area normally blessed with heavy rainfall, had an unusually dry and sunny spring season, and rain was on the low side on the gulf coast and in Florida, where precipitation is usually plentiful.

How can a Nation deal with such paradoxes—with such audacious whims of nature? There is only one way—by careful, long-range planning which takes into consideration total resources and total needs.

This year's water paradoxes have moved America swiftly toward its day of water reckoning. When the Senate Subcommittee on National Water Resources warned in 1961 that some sections of the United States would be out of water in 20 years if heroic measures were not taken, people in water bountiful areas had a tendency to shrug and say, "never here, thank goodness," and go on about their business. Now they are aroused. With taps running dry in big metropolitan areas where water has not even been metered, with little or no water for suburban lawns and swimming pools, with air conditioning endangered and with industrial plants hard put to keep their wheels turning, even the most indifferent citizen is ready to take another look at our water needs and uses. Our "unusual" weather has been good for more than conversation to pass the time of day.

It would be frustrating enough in this summer of 1965 if America's water problems were all due to the vagaries of nature alone, but the truth is that they have been vastly complicated by the vagaries of man. Perhaps now it will be possible to make more of our citizens in more of our communities along our rivers and lakes rise up in their wrath about the human vagary which has filled

Many normally strong supporters of the present administration have deplored the President's decisions in this instance, and, relying on reports from a certain segment of the press, they have accused the United States of misusing its might to thwart a legitimate democratic revolution.

It is unfortunate that the tone of this debate has tended to obscure the actual substantive issues at stake. Liberal spokesmen who, in the past, have counseled—and wisely, I believe—against viewing domestic events in simple, absolute terms of black and white have themselves been guilty of this same folly when speaking of Latin America. Able to discern existing evils in the nations of the hemisphere, they have fallen prey to a fatal attraction for any movement, regardless of its roots, which promises an end to old injustices and the establishment of a better society.

With careless ease, these individuals divide Latins into two groups, the reactionary military and rich on one hand, and the masses of poor and their allies, the intellectuals, on the other. Whenever a revolutionary figure rises from this latter group bearing the banner of liberation and calling on his followers to throw off their shackles, his cause is embraced without question by many Americans who proclaim him a new Bolivar. His opposition, automatically wrong, is branded worthy of destruction.

There can be no doubt that grave wrongs are today perpetuated in many of the lands south of our borders; that hunger is a fact of everyday life for far too large a number of our neighbors; that for some Latin Americans, democracy is only a vague, seemingly unattainable dream; and that the rule of law is sometimes replaced by the rule of decree. But, nevertheless, if we are to effect improvements, we must learn to distinguish between the widely varying factions that compete for political power in every part of the hemisphere. We must recognize, bad as existing evils may be, their proposed remedies can be even worse.

Mr. President, it is a tragic fact that the failure of an unquestioning majority of Americans to make these distinctions in 1959 aided Fidel Castro in the consolidation of his power in Cuba. By cunningly covering his basic motives with a cloud of rhetoric designed to appeal to the democratic sensibilities of liberal North Americans, Castro was able to hasten the replacement of the tyranny of Batista with the tyranny of communism.

Therefore, although overt Communist influences were carefully submerged at first, when revolt spilled into the streets of Santo Domingo on April 24, responsible Americans were especially wary and were concerned that a second Cuba could be in the making.

The prevention of a Communist coup, however, was not the motive behind President Johnson's initial decision to land U.S. marines. Rather, after the short-lived provisional government of Raphael Molina Urefia collapsed on April 27, the situation in Santo Domingo quickly degenerated into a state of an-

archy. Leaderless mobs roamed everywhere sacking, burning, and killing without reason. After repeated attempts by our distinguished Ambassador W. Tapley Bennett to bring key Dominican leaders of both sides together to restore order failed, the Ambassador put through an urgent request for American troops.

President Johnson, acting upon this request, and appeals from individual American citizens and foreign nationals stranded in the midst of a frighteningly violent civil war, responded in precisely the correct manner.

On April 28, he announced:

I have ordered the Secretary of Defense to put the necessary American troops ashore in order to give protection to hundreds of Americans who are still in the Dominican Republic and to escort them safely back to this country. The same assistance will be available to the nationals of other countries, some of whom have already asked for our help.

Shepherded by U.S. marines and paratroopers, over 5,000 people, Americans and citizens of 45 other countries, left the violence of Santo Domingo for safety during the early days of the Dominican revolt.

We can all be proud of this accomplishment. In the face of a complete breakdown of law and order, rifle fire from snipers, acts of terrorism, growing violence on the part of undisciplined gangs of marauders, and indiscriminate killings taking place throughout the city, the evacuation mission was successfully carried out. Not one of the thousands of Americans, nor any of the other foreign citizens who turned to us for safety and evacuation, was physically harmed. A few heroic marines, however, gave their lives to carry out their mission of mercy.

The fact that the President ordered the marines to land solely in order to protect innocent lives does not, of course, mean that our Government was unaware of the growing Communist strength and influence on the rebel side. We were well acquainted with the personnel and tactics of the Dominican Communist Parties long before the revolt began. We knew that many leading Communists had secretly returned to Santo Domingo from exile late in 1964 and in the early months of 1965, after training in subversion and guerrilla tactics in Cuba and other Communist countries.

Mr. President, there are today three Communist parties active in the Dominican Republic. One of these, the Dominican Popular Movement—the MPD—was an underground party prior to the April 24 revolt, consisting of about 500 hard-core members, and following the Chinese Communist line of violent change through open insurrection.

The second of these parties was known as the Popular Socialist Party—PSP—and was also an underground organization before April, with between 700 and 1,000 dedicated members. This party has followed the Moscow line, preferring to attain its ends by subversion and penetration rather than by the more violent methods advocated by the MPD. Just 2 weeks ago, emboldened enough to openly proclaim its true identity, this party discarded its popular-Socialist

name and declared itself as the Dominican Communist Party—PCD.

The third party, called the 14th of June Popular Movement, is an especially illuminating example of Communist tactics. It takes its name from the landing in the Dominican Republic on June 14, 1959, of a group of young Dominicans who were opposed to the then dictator, Trujillo. It is because of its anti-Trujillo activities that this movement was long regarded, and still is by some people, as a democratic, patriotic Dominican organization. The group that landed in the Dominican Republic in 1959, however, came from Cuba and was thoroughly trained by Cuban Communists. Castro's government supported and equipped this band of guerrillas, and the movement has always openly identified itself as pro-Castro.

In late 1963, the 14th of June movement resumed its guerrilla tactics, this time against the triumvirate which succeeded Juan Bosch. Again, the guerrilla fighters were led by Dominicans indoctrinated and specially trained in Communist Cuba. Despite the fact that many of the members of the 14th of June movement were—and a large number still are—non-Communist, the fact is that Communists hold its key leadership positions and that it has consistently served Communist ends.

It was the 14th of June movement that took the leadership in rallying popular support for the rebel side from the very beginning of the current upheaval.

Joining with their other comrades, these Castrolike fighters sought to even the sides by aiding in the large-scale distribution of arms, including automatic weapons and grenades, to civilians. Soon the Communists completely took over control of this activity in order to make sure that their own followers and sympathizers had guns.

From their point of view, this was a necessary measure, because at the height of rebel strength, there were no more than 1,000 trained Dominican soldiers who had defected to their cause. By arming more than 1,500 hard-core Communists and as many as 4,000 other civilians, the rebels greatly increased their prospects for success.

In addition, they moved quickly to organize street demonstrations, seize newspaper plants, take control of rebel propaganda over radio and television, organize paramilitary units, and establish commando units and command posts.

Skillfully adapting the tried and proven model of Cuba, Dominican Communists hid behind and manipulated scores of non-Communist rebels.

For instance, there were several thousand armed civilians who were not Communists, ranging from patriotic Dominicans who sincerely believed in what they were doing to youngsters—some only 12 years old—who were in the fight for the thrill, and hoodlums who were out to kill policemen and to loot. Although many of these civilians probably never came under direct Communist control and discipline, they were dependent in varying degree on the Communists for leadership and for arms and ammunition.

Borrowing yet another page from the Castro manual, the Dominican Communists attempted to create that aura of legitimacy so necessary to gaining sympathy from certain liberal quarters in the United States. On the 25th of April, they propelled a well-known supporter of ex-President Juan Bosch, Raphael Molina Urena, into a provisional presidency. Molina Urena declared that the Constitution of 1963, suspended with the fall of Bosch, was again in effect, and that he was only holding the reins of power until Bosch could return from Puerto Rico. But, within 2 days, the Molina Urena government toppled and its key political and military leaders fled to asylum in foreign embassies, leaving behind them a leadership vacuum into which well-trained, well-prepared Communists moved swiftly.

All signs of moderation disappeared and the violent extremists took charge.

Mr. President, this then was the scene on April 30, when President Johnson ordered additional American troops into Santo Domingo.

It was not an ambition for territorial or material gain, or the desire to impose our will on other peoples that prompted the President to send more young American men to a small and troubled island. Rather, after careful, prudent calculation, President Johnson decided to seek several specific and altogether proper goals. Uppermost was the continued protection of large numbers of American citizens still remaining in Santo Domingo.

Second, the activities of such well-known Communists as Luis Gomez Perez; Jose Cuello Hernandez, who was trained in Cuba in 1964; Moises Blanco Gerano, a leader of the 14th of June movement; Daniel Ozuna Hernandez, a leader of the Cuban-inspired 14th of June invasion in 1963; Antonio Isa Conde, who received instruction in Cuba in 1963; his brother, Narciso, a member of the Central Committee of the Dominican Communist Party; and many, many others caused increased concern here in Washington over the ultimate direction the growing anarchy in Santo Domingo—given impetus by the lack of unity among anti-rebels—might take.

There were well-founded fears that the lawlessness and bloodshed, hitherto confined to the capital city, was about to spread to the countryside.

Most important for the long-range prospects for peace, the President was convinced that the U.S. military presence in the Dominican Republic, by impartially enforcing a cease-fire, would give the Organization of American States the necessary time to take collective peacekeeping action.

Mr. President, we saw the President's judgment on this last point vindicated with the formal creation of the Inter-American force in Santo Domingo on May 23. The presence of this hemispheric army, composed of units from the United States, Brazil, Costa Rica, Honduras, Nicaragua, and Paraguay, has allowed us to cut our own troop commitment by over 50 percent. Under the command of the distinguished Brazilian,

Gen. Hugo Penasco Alvim, the Inter-American force undertook the difficult task of halting violence while OAS negotiators effected a political settlement.

But, Mr. President, the dangers of the Dominican crisis, though sharply reduced by the latest developments, are still apparent.

The Communists continue to play an important role in the rebel movement. Their paramilitary strength still comprises the major elements of the rebels under arms. Some Dominican officers who are not Communists have defected in recent weeks from the rebel movement, telling officials of our Government that the growing intransigence of the Communists has led to Communist threats against the lives of non-Communist rebel leaders. Others have declared that the influence of the Communists is increasing, and that at least 75 percent of the military command posts in the rebel area are under the direct control of the Communists.

There is evidence that the Communists are actively making preparations for longer term subversion. Some of their leaders, furnished with false identities, are ready to go underground to direct future violence. The Communists have acquired large numbers of rifles and automatic weapons during the course of the revolt; and many of these are already hidden away for future use—not only in Santo Domingo itself but also in secret caches in many parts of the country.

The Dominican Communist Party continues to adhere to the Moscow line, and is attempting to sponsor a so-called Popular Front in which all the Communist parties can join with reputable and much larger political factions and thus attain their objectives through subversion and deceit.

One of the leaders of this party, Juan Ducoudray, who worked for Radio Havana in 1962, and who has traveled widely in the Soviet Union, Poland, and Communist China, declared on August 17 that his group will actively oppose a negotiated settlement on the lines proposed by the OAS. Instead, the Dominican Communist Party will attempt to continue its course of armed insurrection.

The 14th of June movement has also come out openly in favor of violent action against any provisional government. Its Cuban-trained Communist leaders and its hard-core extremist faction of Castro sympathizers are guiding the 14th of June movement ever closer to an alliance with the other two Communist parties. The movement has been very active in the past 2 months in enlisting new members, conducting Communist indoctrination course, and giving guerrilla warfare training to hundreds of young people. Many of these are brought in from other parts of the country and returned to their home towns after training so that they may become the guerrilla fighters of future Communist moves in the Dominican Republic.

The MPD—Dominican Popular Movement—the Communist Party which follows the Peiping line of violence to attain

its objectives, also began 2 months ago to conduct guerrilla warfare training courses in the rebel zone of Santo Domingo. It, too, has publicly called for terrorism throughout the country in order to oppose any provisional government. This party, a hard-core underground movement before the April 24 revolt, is now operating openly and has just held a widely publicized meeting in Santo Domingo. It has declared that present conditions provide a good opportunity in the near future for a nationwide Communist uprising. It is laboring actively to create a common front with workers' and farmers' groups and organizations and has called for a "united front" among the reputable political parties and the Communists for open, concerted action in the political field. But it is also working to establish a "liberation front," a clandestine alliance among all the Communists and their sympathizers for direct, violent action against the proposed provisional government.

The very term "liberation front" extends a cruel and false promise to the Dominican people. For, like the Vietcong in South Vietnam, its means would be terror and repression, its aims the very antithesis of liberty.

The Dominican Communist Party's central committee has admitted, in the August 16 edition of the party's official publication, *El Popular*, that it attempted to capitalize on a popular uprising at the outset of the April 24 revolt. The party claims credit for the slogan "Arms for the People," and for giving a popular keynote to what it alleges would otherwise have been a cut-and-dried military coup by rebellious army officers. The party has engaged in the Communist version of self-criticism, analyzing the reasons for failure in April, and calling on all its members to prepare, in its own words, "for victory in the next popular insurrection."

Mr. President, this solid evidence of the determination of some rebels to undo the patient, painstaking efforts of the administration, and the OAS, gives added weight to the impression that the new provisional government could become a sand castle at the edge of the sea that could be kicked over by the Communists.

I am confident, however, that the Garcia Godoy government will be aware of the threats to peace, and that it will strive to be responsive to the needs of the Dominican people by constructing a framework of freedom in which Dominicans can achieve their goals without fear of domination by an alien ideology.

Even when that framework is established, Dominicans and the nations of the hemisphere will still have to remain vigilant, for the Communists have served notice of their true intentions. Though they have been foiled for the present, they will not bow to that great force they pretend to honor, the popular will.

Mr. President, I yield the floor.

HIGHER EDUCATION ACT OF 1965

The Senate resumed the consideration of the bill (H.R. 9567) to strengthen the educational resources of our colleges

and universities and to provide financial assistance for students in postsecondary and higher education.

STUDENT ASSISTANCE IN THE HIGHER
EDUCATION BILL

Mr. HARTKE. Mr. President, I express my appreciation to the members of the Labor and Public Welfare Committee, and particularly to the members of the Education Subcommittee, for their long and tireless efforts in preparing the Higher Education Act of 1965. They have dealt with a complex of problems, they have considered the needs and the ways in which we can meet them, and they have reported a most excellent bill. I congratulate them for their efforts and their success, under the leadership of our distinguished colleague, Senator MORSE, as chairman of the subcommittee and Senator HILL as chairman of the full committee.

Title IV is the section dealing with student assistance. It is this area which has for a long time particularly concerned me, and I am particularly gratified by the "package" of proposals embodied in this title. They follow the outlines of my own bill, S. 5, very closely, a bill which I introduced at the start of this Congress as a successor to S. 2490 of last year. The combination of, first, Federal scholarships or student grants with, second, a federally guaranteed loan program, and, third, work-study funds comprises a comprehensive package in three parts, by the use of which we should be able to aid a great number of those who cannot now attend college for financial reasons.

As I noted in testimony before the subcommittee last year on S. 2490, we are deprived of services to the Nation at their full potential which we might have from at least 100,000 youth who would like to attend college and who are well qualified to benefit from college, if only they had the financial aid they need. This loss is the Nation's loss. Investment in education by the Federal Government will be far more repaid, even if the cost is viewed in strictly economic terms. The college graduate's lifetime earning power is at least \$100,000 in excess of that of the high school graduate. The additional revenue from taxes on these higher incomes far exceeds the Federal assistance costs we have ever given, or those which this bill would provide.

A measure of the support which may be expected for title IV lies in the fact that S. 5, whose provisions are in essential the same, received the support and cosponsorship of 26 Members of this body. S. 5 called for \$75 million in student grants, and S. 600 authorizes \$70 million in the first year, a sum which will make the vital difference to about 140,000 students. Like S. 5, the guaranteed student loan program will make possible the borrowing by students, with partial Government payment of interest, some \$700 million from lending institutions. The rapidly growing need for student loans is shown in figures of the Office of Education, recently released, which show that in the past 10 years borrowing for college education has shot up from \$14 million a year to \$350 million.

But there are still roadblocks for many students in the path of borrowing, obstacles which this bill will help to relieve.

The activities of the States which have set up loan programs have been a great benefit to students. I am glad that the arrangements being presented to us in this bill allow for the strengthening and encouragement of these additional sources of loan funds. The need is so great that we can use the continuing and expanding resources of such plans, gearing them in as the bill now reported does, to meet the need far more fully than has been possible in the past.

While the work-study funds proposed in title IV are not as extensive as those which my bill would have authorized, the \$129 million provided in the first year of operation is estimated by the committee to be sufficient to aid at least 225,000 students. I believe it is wise to make the work-study funds which are already available through the Office of Economic Opportunity a part of the responsibility of the Office of Education. S. 600 makes that transfer, and thus puts the entire program in the place where it belongs, related to education rather than to poverty.

The problem we are facing in the education explosion confronting our colleges is at least in part one of affording opportunities for the student from the middle level of family income. The resources of the upper income groups pose no financial obstacle, and frequently the student from a poor family with demonstrated ability can locate the help he needs for college. But now, in this bill, we are moving toward assistance for the average student from the average family background. Many of these will need some of the work-study assistance the bill will make available. But their need may not be such as to warrant the grant of the direct assistance part A will give. Now they will be more easily able to turn to loans as a source of funds for their college work.

The guaranteed college loan idea is one which I have pursued over the past several years, even preceding the package approach of S. 2490 last year. I consider it one of the most important tools we will have available for great numbers of students. They will be able to borrow on their own signatures, even though they may not be of legal age. They will be eligible so long as they are in good standing in their schools, so this source will not be confined only to A students, but can meet the needs of the average—who have often turned out in later life to be much more exceptional than college records would imply. They will borrow from regular lending institutions, not from the Government, but the Government will back the loan as if it were a cosigner, as we now do with housing loans. The interest rate of 3 percent to the student and the privilege of repayment beginning after leaving school makes the terms a genuine encouragement for many who would otherwise become college dropouts.

I believe fully in the principle espoused by our late President Kennedy and reaffirmed by President Johnson, that no

boy or girl who can benefit from a college education should be denied the opportunity because of financial disability. When we pass this bill we will be helping them, it is true, but we shall be helping ourselves as a Nation fully as much. Our young people are our future, and the Nation a generation hence will be dependent upon them. This is seed money, and the fruit it bears will become apparent only later, when the student generation now in our colleges has become the adult leadership generation of the future.

I shall not comment on the other portions of the bill which I also support, except to say that this will be another great landmark of achievement by the 89th Congress. As a cosponsor of S. 600, I am hopeful that it will receive the full support and prompt passage which it deserves.

Mr. INOUE. Mr. President, great Congresses of the past have often been the offspring of domestic or international crises: war, depression, and foreign instability have often fostered qualities of fortitude, tolerance, and far-sightedness. Only in a few instances of our Nation's history, however, has there been a Congress like the present. The 89th Congress has forged a progressive record that is breathtaking in its scope and encouraging in its wisdom without the usual situations which have accompanied great Congresses of the past. This Congress has addressed itself to the future, and I believe that history will be kind to us.

One of the keys to this outstanding record of legislative accomplishments has been our profound and unshakable commitment to education. Prior to this session, the 88th Congress had been called the Education Congress because of its record in this field. Today, there are few who will contest the 89th receiving this title, for it has far overshadowed the achievements of its predecessor and added luster to American history.

When we seek to analyze the main-springs of the Great Society, we find education to be the generating force. The war on poverty, with Operation Head Start as one of its features, essentially is an educational program. Its success has spawned a number of local plans with great promises of success. The battle against dropouts has taken a number of forms, and despite the opposition of many, it has enlisted the services of many private citizens who have been stirred by the call to service.

Aid to colleges for housing has been made available through the Housing and Urban Development Act. Funds have been made available to upgrade our health research facilities. Bills to improve our medical schools and libraries through grants and scholarships have been introduced. Nor can anyone fail to mention the Elementary and Secondary Education Act, one of the most significant pieces of legislation in the history of education and a pioneer measure in the struggle to improve our schools.

Yesterday, S. 600 was reported out of committee. Commonly called the higher education bill, it is complementary to

the legislation providing Federal assistance to elementary and secondary schools. It is a vital bill if we are sincere in our professions of commitment to excellence in our universities and colleges. It strikes out new and imaginative paths in the support of higher education and will provide the framework on which those who follow us can build.

S. 600 is a broad bill, but it does address itself to specific needs and demands of modern America. We are all informed about the great "education boom." Some of us have even been affected personally by deficiencies in our educational system caused by unprecedented enrollments and requirements. "War baby," "college crisis," "classroom shortage," and similar terms have all worked their way into our vocabulary and reflect areas of increasing concern. Translated into specific terms, it means that there will be 1.4 million in our freshmen classes alone on our college campuses next autumn. In 1954 there were 2.4 million college students overall. Ten years later there were 4.8 million. Five years from now there will be 6.9 million, and by 1973 the number will reach 8 million. A less publicized, though in some ways equally dramatic, figure shows a rise in the number of institutions since the war from 866 to 2,300. To those of us who have left our college years behind us, these figures may mean little, but to parents of college students and to the student himself, these figures mean fiercely competitive entrance examinations cramped dormitory facilities, crowded classrooms, and inadequate library facilities.

S. 600 takes an important step in trying to remedy these ills. Title I encourages extension programs administered by institutions of higher education and with the cooperation of the State. These programs will be specifically designed to attack crucial urban and metropolitan problems such as the lack of city planning, public health, and so forth.

The bill would also try to assist our college libraries through grants for the purchase of equipment. It would also encourage the training of more and better librarians. The problem of the struggling, small college is a perplexing one, and yet I believe that we are making a significant step in helping to solve some of the difficulties facing them. Grants for personnel and services would be made available for schools struggling for survival.

It is my personal opinion that the most important title of the entire measure is that which provides for student assistance. Financial difficulties have proved an insurmountable obstacle for tens of thousands of able students who have had to forego a college education. Today, a college education is not a luxury but a vital necessity. In these trying times when we must cope with not only the Communists but also urban decay and international instability, we cannot afford to misuse our human resources. Moreover, through the insured loan and subsidized interest program, the needs of many middle-income families will finally be met.

Furthermore, provision for a National Teachers Corps has been made. I believe the teacher's desire to serve his fellow man is just as strong as the idealism which motivates thousands of our youth in the Peace Corps. The establishment of the Teachers Corps will, I know, prove of inestimable value to our poverty stricken areas. Likewise S. 600 would amend the Higher Education Facilities Act of 1963 to provide additional funds for construction of classrooms and labs and for the purchase of equipment.

A modern, industrialized democracy cannot fulfill its potential when its universities and colleges are only half used and understaffed. Beyond the need to match the Russians is our need to mobilize our resources in the war against social and economic injustice. Human beings are too valuable to be cast aside and their talents wasted. This is a great Nation but it can be even greater; it is affluent but it could be wealthier. We must realize that we can no longer neglect our colleges or our students. S. 600 is a vitally significant measure which will help to alleviate the burdens which now plague our educational system. I urge that the Senate give its full support to this bill.

BALANCE OF PAYMENTS

Mr. HARTKE. Mr. President, a few days ago one of the correspondents for a Washington newspaper purported to report on a conversation between the President and the Vice President of the United States. He made some comments about the Senator from Minnesota [Mr. McCARTHY] and the senior Senator from Indiana [Mr. HARTKE].

The conversation is supposed to have concerned comment about the constant advocacy by the Senator from Minnesota and the Senator from Indiana of a deficit.

In that conversation something was mentioned about having a little deficit was like being a little bit pregnant.

The article then went on to say that the senior Senator from Indiana was following in the footsteps of the Vice President of the United States in becoming somewhat of a difficulty for the business community. I am really pleased that this article was published in the paper.

The article points out a very significant fact. That fact is that there seems to be a common misunderstanding today of exactly what the real problem is in relation to the international payments deficit as compared to the budgetary deficit.

I am one who believes that we should have a balanced budget. I have been a constant advocate of that proposal. I made such a recommendation to Under Secretary of the Treasury, Mr. Fowler, when he was in that position under Secretary Dillon, and before he retired from the Treasury, before assuming his position as Secretary of the Treasury. I told Mr. Fowler at that time that I thought it would be appropriate for the budget of the United States not to exceed \$100 billion.

However, I now want to point out that it seems that some of these bureaucratic

experts in the executive branch still have not understood that there can be a deficit in our international balance-of-payments situation as well as a deficit in the Federal budgetary situation. They still believe that we are talking about a budgetary deficit when we, in fact, have been talking about a balance-of-payments deficit that has existed in the United States.

The truth is that we have been discussing this matter since about 1958. We have had a balance-of-payments deficit. Starting early this year, the President instituted a voluntary program of restraint on investment and also on extension of credit overseas. The result of this program has been fantastically successful; so successful, in fact, that perhaps it will cause us some difficulty.

In connection with that matter, I call to the attention of the Senate something which we have not seen in America for a long time. I have in my hand the Economist, under date of August 28 to September 3, 1965. Ordinarily, the Economist, which is a well-regarded publication in England, has some kind of drawing or illustration on the front page. However, in this issue, the front of the cover, in bold red type, states "The Purpose of Recession." Then they report the notice of the Ford Motor Co., Ltd., under date of August 19, 1965, which is a cutback in employment, as follows:

The company regrets to advise employees that despite exceptional efforts that are being made it will be necessary to introduce 4-day working in certain departments as from next week.

The article points out that they are in the throes of beginning to cut back employment. We do not see such a situation in America today. We are in the midst of prosperity. This administration is continuing to bring us higher profits, increased employment, and decreased unemployment.

The truth is that, in England, however, they are suffering at this moment, from whatever cause, from the throes of a beginning recession. They are cutting back on employment. This threat is serving notice on the United States and the world and should not be taken lightly.

This threat demonstrates quite conclusively what I said earlier this week. So far as we are concerned, consideration must be given to relaxing or exempting from the interest equalization tax the provisions which apply to England. We are not called upon to solve England's problems, but we must recognize them. If there is a cutback in employment in the Ford Motor Co. in England, it means a cutback in the amount of steel that will be used there. We are now in the midst of trying to have a steel strike settled, but there is a backup in inventory of steel.

We know, further, that if steel-producing countries cannot sell steel to England, that steel will be dumped in the United States. Dumping is one of the subjects involved in the dispute.

Mr. President, if this matter is not of concern to us, there is something wrong in our thinking. We do not live on an economic island. We have had pros-

HIGHER EDUCATION ACT OF 1965

SEPTEMBER 1, 1965.—Ordered to be printed

Mr. MORSE, from the Committee on Labor and Public Welfare,
submitted the following

REPORT

together with

SUPPLEMENTAL AND INDIVIDUAL VIEWS

[To accompany H.R. 9567]

The Committee on Labor and Public Welfare, to which was referred the bill (H.R. 9567) to strengthen the educational resources of our colleges and universities and to provide financial assistance for students in postsecondary and higher education, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

SHORT SUMMARY OF H.R. 9567 AS AMENDED

If enacted as amended, H.R. 9567 would:

(1) In title I, provide for fiscal year 1966 \$25 million, and \$50 million for each of the 4 following fiscal years to finance college and university extension and continuing education programs designed to assist in the solution of community problems and to strengthen and expand programs of continuing education through extension methods.

The funds provided would be used by the Commissioner of Education to make grants to colleges and universities providing such college and university extension services.

For the purpose of developing State plans through which the programs would be administered, 5 percent of the costs of the program or \$25,000, whichever is greater, is authorized. Eighty percent of the money in each year would be allotted to the States upon a formula based upon population. Twenty percent of the sums appropriated under the authorization are reserved to the Commissioner for grants and contracts to finance experimental projects.

The President of the United States is authorized under this title to appoint a National Advisory Council on Extension and Continuing Education consisting of representatives of executive departments and 12 members appointed without regard to civil service laws from among persons knowledgeable in the field who, in addition to advising the Commissioner on the regulations established pursuant to the title, have the duty of reviewing the administration and effectiveness of all federally supported extension and continuing programs, and upon the basis of their findings to make recommendations to the President for transmittal to the Congress in annual reports commencing March 31, 1967, for the effectuation of their findings.

(2) Three types of programs to improve college and university libraries are authorized under title II of the proposed act.

(a) The first part of the act authorizes \$50 million a year for 5 years to expand and to improve college library resources through provision of basic, supplemental, and special-purpose grants. Library resources include books, periodicals, documents, magnetic tapes, phonograph records, audiovisual materials and other related materials (including necessary binding). Seventy-five percent of the funds appropriated will be reserved for basic and supplemental grants. A basic grant which will not exceed \$5,000 will be made to each eligible institution of higher education and to each branch of such institution which is located in a community different from that in which its parent institution is located. These basic grants will be matched on a 50-50 basis. Joint use of library facilities with other institutions is required where feasible. The supplemental grants which are not matched shall not exceed \$10 for each full-time student. In making these grants the Commissioner of Education may take into consideration factors such as the size and age of the library collection and student enrollment and give priority to institutions in need of financial assistance for library purposes. Special-purpose grants which will be funded from the remaining 25 percent of the appropriation are reserved to meet special national or regional needs for additional library resources. Moreover, these grants may also be made to institutions which demonstrate a special need for additional library resources and which demonstrate that such financial assistance will make a substantial contribution to the quality of their educational resources. Special-purpose grants are matched at a rate of three Federal dollars for each institutional dollar. An Advisory Council on College Library Resources shall establish criteria for the making of supplemental grants and special-purpose grants.

(b) The second part of the title authorizes for the fiscal year ending June 30, 1966, \$7,500,000, and \$15 million for each of the 4 succeeding fiscal years to make grants to institutions of higher education to assist them in training persons in librarianship. In addition, the Commissioner is authorized to make grants to institutions of higher education and other public or private agencies and to individuals for research and demonstration projects relating to the improvement of libraries and the improvement of training in librarianship.

(c) Part C of the title provides \$5 million for the fiscal year 1966, \$6,315,000 for fiscal year 1967, and \$7,770,000 for each of the 3 following fiscal years to enable the Commissioner of Education to transfer funds to the Librarian of Congress. Such funds will be expended to provide cataloging information promptly after receipt of library materials and to aid the Library of Congress in the acquisition

of library materials currently published throughout the world of value to scholarships.

(3) In title III of the proposed act, for fiscal year 1966 the Commissioner of Education is empowered to grant \$55 million and for fiscal year 1967 and the 3 succeeding fiscal years \$60 million each year, for strengthening 4-year and 2-year developing institutions of higher education through making grants for payment of part of the cost of financing cooperative agreements between developing institutions and other colleges and universities. Such grants, upon a project basis, could be used for programs and activities such as (a) the exchange of faculty or students by the cooperating institutions; (b) training programs for developing institutional faculties and college administration; (c) introduction of new curriculums; (d) cooperative education programs; (e) joint use of facilities such as libraries or laboratories, and (f) other arrangements which offer promise of strengthening the academic programs and administration of developing institutions.

A further section of this title provides national teaching fellowships under which qualified graduate students and junior members of the faculties of developed institutions would be encouraged to teach at the developing institutions. Such fellowships would carry stipends of not more than \$6,500 per year plus \$400 for each dependent accompanying the fellow.

(4) Title IV, the student assistance title of the act, is composed of four parts:

Part A established undergraduate scholarships, funded at \$70 million for the first year, will afford educational opportunities to 140,000 students. These scholarships, under committee amendments adopted, may range from \$200 to \$800 a year, dependent upon need. For those students having need in excess of \$800 who are in the upper half of their college class, a maximum of \$1,000 could be provided. These scholarships will be awarded by institutions of higher education within a State. Under the amendment adopted by the committee, however, 15 percent of a State's total allotment may be used by a State scholarship program for scholarships meeting the terms of the act, to supplement, upon a matching basis, its existing program or to initiate such a program. Such supplementation, however, would require an expansion of an existing program. The scholarship program provides \$70 million for each of 5 years for initial scholarships. Scholarships could not exceed 4 years. Appropriations are also authorized to finance scholarships previously awarded.

Part B is the insured loan program. The committee here adopted an amendment to the original bill which parallels almost exactly the language adopted by the House when the companion measure passed on August 26. It places the Federal loan insurance program on a standby basis, to become operational only in the event that at any institution of higher education, State and/or private nonprofit loan insurance programs should fail to meet the demands for insured loans at that institution. This program is designed to assure that colleges and students attending colleges will have reasonable access to low interest rate loans. In order to accomplish this, the loans will be interest free to the student while he is attending school and at an interest rate paralleling the National Defense Education Act direct loans when he has completed his education. The difference between the interest

charged to the student and the cost of the money through State or private nonprofit organizations will be paid by the Federal Government.

Part C of title IV transfers the college work-study program from the Office of Economic Opportunity to the Commissioner of Education—\$129 million is authorized for this purpose for fiscal year 1966, and should provide on- and off-campus employment for 225,000 to 285,000 students. The final year of the program under administration estimates would be \$235 million.

Part D of title IV consists of amendments made by the committee to the NDEA title II student loan program. These amendments were designed to provide participating colleges with procedures which would enable them to loan and collect more efficiently advances under this program. In addition, the committee adopted an amendment which forgives completely an NDEA loan at the rate of 15 percent per year for a teacher who elects to teach in a school in receipt of funds under title I of Public Law 89-10. The 100-percent forgiveness, however, would apply only in the case of teachers employed by 25 percent of the schools in the State.

The committee finally, also adopted amendments to include within title III of the NDEA the subject matter area of "economics", and to provide in title XI, the institute title, provision for teachers in the fields of economics and civics. Increased funds for title III and title XI of NDEA would come to \$27,250,000 each year.

(5) Title V, which is concerned with teacher preparation programs, consists of four parts. Part A establishes in the Office of Education a 12-member Council on Teacher Preparation under the chairmanship of the Commissioner of Education. It is charged with the responsibility of reviewing the administration and operation not only of the programs carried out under title V but of all other Federal programs for complementary purposes. Part B makes provision for a National Teacher Corps funded at \$36,100,000 for fiscal year 1966 and at \$64,715,000 for each of the 4 following years. This program in its first year would permit approximately 6,000 individuals either alone or as members of a teaching team, in conjunction with local school districts, to provide teaching services in such districts. An additional part of the new title would provide 4,500 fellowships for the first year, rising to 15,000 in the fifth year, leading to a master's degree designed to attract recent graduates into the teaching field and to provide advanced training for experienced teachers. Forty percent of the fellowships are for recent graduates, 60 percent are for teachers with 5 or more years of experience. The master's may be taken either in education or in a subject matter discipline. Stipends for recent graduates are established at \$2,000 for the first year and \$2,200 the second year as in title IV of NDEA. Stipends for experienced teachers are set at \$4,800 per year. For both recent graduates and experienced teachers provision is made for dependents at the rate of \$400 per year and the necessary travel to the institution at which training is taken is also allowed. Each institution of higher education accepting such a fellow under the terms of the bill would receive a cost-of-education allowance of \$3,000 per annum. Between 20 and 25 percent of the fellowships in each category would be reserved for ancillary fields such as special education, school social work, school library work, and vocational education. A further provision of this part would permit the Commissioner of Education to award up to 20 percent of the experienced teacher fellowships to professional employees of school systems

who have been displaced as the result of school population changes resulting from the enforcement of the Civil Rights Act or the purposes of that Act.

The final part of this new title would provide the Commissioner of Education with \$5 million a year for grants to pay part of the costs of improving graduate and undergraduate teacher training programs in institutions of higher education.

(6) In title VI of the proposed act, a new program is established which brings to higher education in a manner similar to title III of NDEA a matching equipment grant program which for the first year is funded at \$35 million and which will rise to \$60 million at the end of the fifth year. There is also constituted a faculty development program funded at \$5 million a year which is the counterpart of title XI of NDEA at the elementary and secondary level. A further section provides \$2.5 million for fiscal year 1966 and \$10 million for the following 4 years for acquisition of TV equipment.

(7) Title VII amends the Higher Education Facilities Act of 1963 by incorporating amendments which increase for 1966 by \$100 million funds authorized for inadequate academic facilities and by \$60 million funds authorized for graduate academic facilities. Other amendments in this area would change matching requirements from the present fixed 40-60 formula in the case of junior and community colleges to an "up to 40 percent" Federal share, thus placing the junior and community college segment on a parity with similar language, applying to 4-year schools. The committee further broadened the categories of construction permissible under the Higher Education Facilities Act by removing previous limitations. Prohibition against construction for religious purposes or for structures for which admissions charges are made or gymnasias still apply. A third change in this area permits an interchange between funds for 4- and 2-year public schools where the State authorities determine this to be necessary.

(8) Title VIII contains general provisions and definitions as used in the act.

HISTORY OF LEGISLATION

President Johnson in his education message to the opening session of the 89th Congress set forth the goals which are yet to be accomplished through educational legislation. A part of that program has already been enacted, at the elementary and secondary level, in Public Law 89-10.

H.R. 9567, as amended by the committee, is designed to accomplish a part of remaining purposes in the field of higher education. In addition it is constructed to carry out the proposals subsequently submitted by the President July 17, 1965, in draft legislation for teacher preparation programs which was introduced as S. 2302 on July 19.

The original administration recommendations were contained in draft legislation introduced as S. 600 on January 19, 1965, cosponsored by 24 Senators. Twelve days of hearings upon the concepts contained in the respective bills were held by the Education Subcommittee of the Senate Committee on Labor and Public Welfare. Following this the subcommittee met in executive session 10 times. In the course of its deliberations it reviewed some 17 amendments submitted by Senators from the floor and in addition gave careful consideration to 31 amendments submitted by members in the form of committee

prints. Other amendments were proposed in an informal manner during the sessions as a result of discussion.

The reported measure thus bears the handiwork of many Senators, on both sides of the aisle, and as a result of this process of careful weighing of proposals, the full Committee on Labor and Public Welfare found itself able to report the bill to the Senate unanimously.

During the period S. 600 and S. 2302 were under consideration a companion measure, H.R. 9567, was under consideration by the House of Representatives and its Committee on Education and Labor. H.R. 9567 passed the House of Representatives on August 26, 1965, by a vote of 367 to 22.

The present measure is brought to the Senate in the form of an amendment to the House bill containing the text agreed upon by the committee for S. 600.

TITLE I—COLLEGE AND UNIVERSITY EXTENSION AND CONTINUING EDUCATION

The need

Since the turn of the century the portion of the American people living in urbanized areas has increased from 45 to 70 percent. There is every indication that an ever-increasing portion of the population will reside in and around the Nation's cities. Since 1950 approximately 85 percent of the population growth in the United States has occurred in the cities. This change in population distribution within the country has resulted in major community problems both in rural areas, where people have been and still are leaving, and in urban areas which must continually absorb and provide community services for new residents many of whom are unaccustomed to urban living.

Many cities are faced with the problem of having "central cores" which were designed or formed with the urban needs of the 19th century in mind and no longer meet the needs of modern urban center. These central cores have often become poverty-infested cancerous eyesores with substandard housing, poor police protection, and second-rate public services—all of which breed juvenile delinquency, serious crime problems, economic instability, social disturbances, and poor health. Rapid urbanization of formerly rural areas has also caused problems in zoning, housing, traffic regulation, uneasy race relations, and pollution.

Local officials and private citizens and organizations have been doing much to cope with these problems. However, solutions to the problems of metropolitan areas involving millions of people with diverse special interests and needs require expertise which is seldom available. The leadership, organization, administrative, and diagnostic skills, the knowledge of facts, and the understanding of interrelationships must be developed and made available to those who have the responsibility for governing and administering justice if we are going to continue to have a strong, healthy society.

In some ways the problems which rural communities are facing are more acute than those of urban areas. Small towns and villages face communication and transportation problems which have kept them cut off from the economic prosperity which the Nation, as a whole, has been experiencing. Moreover, the loss in population in rural areas has been more serious than the census figures reflect. The young

people, the source of strength and vitality of a community, have been leaving the countryside and seeking employment opportunities in metropolitan areas. The result has been a decline in the economic well-being of areas already lacking prosperity.

University and college resources are particularly suited to help meet the numerous new community problems. In recent years institutions of higher education have contributed significantly and increasingly to our educational, economic, and cultural advances through their institutionwide and departmental extension and continuing education services and programs. They have done so in our rural areas as well as in metropolitan zones.

Inherent in the university's traditional role perpetuating and adding to human knowledge has been the responsibility to make that knowledge understood throughout the community. President Johnson, in submitting his education program to Congress, spoke of the potential of higher education to help deal with the perplexities of modern society. "Our great universities," he said—

have the skills and knowledge to match these mountainous problems. They can offer expert guidance in community planning; research and development in pressing educational problems; economic and job market studies; continuing education of the community's professional and business leadership; and programs for the disadvantaged. The role of the university must extend far beyond the ordinary extension-type operation. Its research findings and talents must be made available to the community. Faculty must be called upon for consulting activities. Pilot projects, seminars, conferences, TV programs, and task forces drawing on many departments of the university—all should be brought into play. This is a demanding assignment for the universities and many are not now ready for it. The time has come for us to help the university to face the problems of the city as it once faced problems of the farm.

The purpose of this legislation is to put the President's words into action by fostering innovation and encouraging and enabling institutions of higher education to respond to the demands of the communities they serve.

Schooling has become and will continue increasingly to be a normal part of adult life. Military officers of the United States now know that they will spend a large portion of their career—perhaps a third—going to school. Civilians will increasingly have similar expectations. The work-school pattern can take widely varying forms: part of each day, or each week, or each month, or each year in the classroom and in the work situation; or major leaves of absence from work to return to training institutions. This pattern needs to be widely understood and incorporated into our common understanding.

The character of modern knowledge and industry and the development of knowledge and of the community dictate that adult life will be characterized by ever sharper requirements of occupational, social, and cultural competence, by deeper problems for the individual of obsolescence and disorientation. In their bearing on adult life, knowledge and change in every part of our lives have at last brought us to the point where the old expressions of "lifelong learning" and "continuing education" become meaningful descriptions of what is

required of man. Ours is an "educative" society and we are undoubtedly on the threshold of an age of adult education.

The argument for Federal support of university community education hinges upon the community's social and individual needs for continuing opportunities for adult education, just as society has a stake in the adequate provision of a balanced program of continuing education for the adult. The Federal Government has a long record of support for adult education. Since 1914, the Department of Agriculture has had a program of grants for extension in agriculture and home economics through the land-grant colleges and universities. First established by the Smith-Lever Act and subsequently broadened by additional legislation, this program now has a very large annual expenditure derived from Federal funds, as well as from State and local sources. The experience of the cooperative extension service in extension and community service programs should be utilized in formulating State plans under this title.

College and university extension and continuing education program

In keeping with the intent of President Johnson to extend the role of the university "far beyond the ordinary extension-type operation," the committee is proposing a program of Federal assistance for institutions of higher education to enable them to maintain extension and continuing education programs while pioneering in a broadened field of responsibility.

It is the intent of the committee that the States, institutions, and the communities participating in this program be allowed considerable latitude with respect to programs under this title. The committee points out that the following types of projects and activities would, among others, be eligible for funding:

1. Studies of employment problems and economic growth possibilities in both urban and rural areas;
2. Courses to train subprofessional personnel as aids in the health services and in social work in order to help alleviate shortages of professional personnel;
3. Courses for professional people such as doctors, lawyers, educators, and high school and college administrators to relate the findings of recent research, the significance of current events, and new techniques and information to their responsibilities to the public;
4. Seminars for community leaders to examine new health, welfare, and education laws and the significance of those laws in their community;
5. Conferences and seminars on the problems extending health services to isolated communities; and
6. Conferences on the problems associated with intergroup relations and social unrest.
7. Professional retraining and refresher programs for persons in professions such as architecture, engineering, landscape architecture, law, law enforcement, medicine, pharmacy, public administration, public health, science, social science, social work, economics, teaching, and urban and regional planning (including environmental health planning);
8. Training and consultative services to local, State, and Federal governments;

9. Training in leadership and in program planning for non-profit voluntary associations and civic groups;

10. Special educational programs for adults with a view to increasing their opportunities for more productive employment and making them better able to meet their adult responsibilities;

11. Training and educational services relating to aging;

12. Training services related to labor education, management education, and employment opportunities;

13. Special educational programs for culturally disadvantaged adults;

14. Educational programs for women preparing to enter or reenter the labor market; and

15. Other training, demonstration, and public service programs.

Throughout consideration of this title, the committee was mindful that the principal role of the university is to provide education in the academic fields to undergraduate and graduate students and that it is the responsibility of the university to maintain the highest possible quality of course content and standards for those students. It is not the intent of the committee that the skills and resources of universities participating in this program be dissipated on programs and activities which are not part of their overall objectives or that universities alter their objectives to participate in this program. This title is designed to supplement, strengthen, and improve the services of universities without impeding their growth in their primary field of responsibility.

Questions have been raised with the committee as to whether or not courses designed to increase individual competence in recreational, social, and related activities are eligible for inclusion in programs financed by this title. Such courses would not be eligible. As indicated by the examples given above, programs and activities eligible for funding under this title are clearly expected by their nature to be equivalent to or superior to that of normal undergraduate courses for college credit. In many, if not most instances, the actual giving of college "credit" is inappropriate or irrelevant to the nature of the programs envisaged, since the individuals involved will be mature adults with a high degree of competence in their particular fields, whether obtained through formal college work or otherwise. The committee notes that the training of professional and subprofessional workers competent to direct programs of occupational or physical therapy, or in the field of recreation, is an appropriate college or university function, as distinguished from courses to increase the proficiency of individual in recreational activities.

The committee recognizes that changes occurring in our rural communities and areas make it necessary to provide support for university extension and continuing education courses which are specifically designed to assist in the solution of rural problems. Moreover, the committee wishes to avoid competition between institutions of higher education and local school systems with respect to adult basic education, job retraining, and vocational education; and the committee wishes to avoid a duplication of efforts in that certain educational programs are already eligible for support under the Economic Opportunity Act, the Manpower Development and Training Act, and Housing Act, and under the Agricultural Extension Service.

It is the intent of the committee that programs of extension and continuing education conducted under this title shall be of such

nature as are appropriate to the maximum utilization of the special resources and competencies of colleges and universities and their faculties. The special resources and competencies of the institutions participating together with their applicability to the special needs of communities within the State and measures taken to assure efficient use of all resources available should be considered in the submission of State plans and their approval.

If there is reasonable doubt that the programs offered or proposed to be offered through funds financed by this title do not comply with the above statement of intent, it shall be the responsibility of the State agency or institution administering the program and of the Commissioner of Education, in reviewing State plans and programs, to require the submission of satisfactory evidence that the intent of Congress is not being violated in this respect.

With respect to section 105(b) of title I, the committee wishes to make clear that although each institution need not fully meet the maintenance of effort and matching requirements, the flexibility provided does not contemplate the inclusion of an institution which makes only a token effort to contribute to the State effort. The flexibility is provided for the rare case where the contribution may fall marginally below the required effort.

The committee has included provisions for a National Advisory Council on Extension and Continuing Education to be appointed by the President. The membership of the Council will include representatives of all Federal agencies having extension education responsibilities and 12 other persons having knowledge and experience in the fields of extension and continuing education and community problems. The purpose of the Council will be to eliminate duplication, to effectuate the coordination of Federal programs, to bring about continuing evaluation of the quality of the programs and the effect of the programs on university objectives, and to make recommendations for modification, curtailment, and extension of this title or any other act dealing with extension and continuing education.

Administration of the program by State authority

Each State that wishes to participate in this program must designate a State institution or agency to design and submit a State plan, setting forth its program of extension and continuing education.

It is anticipated that in many States a State commission or agency, representative of institutions of higher education in the State, will be established as has been the case with the recently established State commissions pursuant to the Higher Education Facilities Act of 1963. An existing agency, or institution, such as a State extension system which is a component part of a State system of higher education, may be the appropriate agency if the State so desires. These or other possible modes of operation involving various combinations of institutions permit much latitude to the States.

In other instances the State may wish to appoint the State university, a land-grant college, or a private college or university to administer the State plan. If an institution or agency is designated which is not broadly representative of competent institutions of higher education in this field. Then there will be established an advisory council broadly representative of institutions of higher education in the State which are competent to offer extension and continuing education programs to consult with the designated institution in the

preparation of the State plan. The plan must also set forth a comprehensive coordinated statewide program of approved educational activities and services for which Federal financial support is being requested. Moreover, the plan must set forth such policies and procedures to be followed in allocating Federal funds as in relation to the capacity and willingness of particular institutions of higher education (whether public or private) to provide effective programs, to the availability and need for such activities and services in the light of information regarding State problems.

The enormity of the need of American communities to increase their competencies in solving their social and civic problems, was stressed by all witnesses who testified on title I. The committee feels that \$25 million will provide sufficient funds to initiate and maintain the program during the remainder of fiscal year 1966. The authorizations during subsequent fiscal years will be \$50 million. Of the funds authorized, a certain amount is guaranteed to each of the territories and the respective States, with the remainder being allocated to the States on a formula based on population. The funds for fiscal year 1966 would be distributed as follows:

Estimated Federal payments under the Higher Education Act of 1965

	University extension and continuing education		University extension and continuing education
United States and outlying areas	\$20, 000; 000	Nebraska	\$213, 059
50 States and District of Columbia	19, 626, 115	Nevada	129, 959
Alabama	360, 004	New Hampshire	149, 598
Alaska	118, 869	New Jersey	604, 759
Arizona	216, 755	New Mexico	175, 937
Arkansas	246, 483	New York	1, 462, 865
California	1, 450, 697	North Carolina	468, 673
Colorado	247, 716	North Dakota	149, 675
Connecticut	309, 097	Ohio	870, 155
Delaware	136, 967	Oklahoma	287, 995
Florida	525, 972	Oregon	242, 633
Georgia	424, 774	Pennsylvania	979, 901
Hawaii	152, 756	Rhode Island	168, 698
Idaho	152, 910	South Carolina	292, 847
Illinois	899, 574	South Dakota	154, 527
Indiana	468, 057	Tennessee	388, 577
Iowa	312, 178	Texas	887, 714
Kansas	270, 743	Utah	174, 782
Kentucky	340, 750	Vermont	131, 191
Louisiana	363, 008	Virginia	429, 780
Maine	175, 937	Washington	328, 043
Maryland	358, 156	West Virginia	239, 629
Massachusetts	507, 874	Wisconsin	413, 145
Michigan	718, 511	Wyoming	126, 108
Minnesota	368, 938	District of Columbia	161, 458
Mississippi	276, 057		
Missouri	437, 636	Outlying areas	373, 885
Montana	153, 988	American Samoa	26, 625
		Guam	30, 114
		Puerto Rico	289, 458
		Virgin Islands	27, 688

Since the amount of money available to the States will be small when compared to the need, the committee felt more efficient use of the funds would result if the Commissioner were to coordinate contracts for experimental approaches to extension and continuing education related to the solution of community problems thus eliminating duplication of efforts on the State level. For this reason 20 percent of the appropriations would be withheld from the State allotments for the Commissioner to make grants or contracts for experimental and research purposes.

Under title I, Federal funds will be used to pay 75 percent of the cost of the State's plan for college and community extension programs in fiscal years 1966 and 1967 and 50 percent of such costs in the next 3 years. Up to 5 percent or \$25,000 (whichever is greater) of the Federal grant may be used for the development and administration of the State plan required under the program.

Advisory committee

Section 109 of the bill establishes a Presidential Advisory Council on Extension and Continuing Education, consisting of the Commissioner of Education as Chairman, one representative each from the Departments of Agriculture, Commerce, Defense, Labor, Interior, and State, of the Housing and Home Finance Agency, the Office of Economic Opportunity, and such other Federal agencies having extension education responsibilities as the President may designate, and 12 other members appointed by the President. The function of this Council is to review and evaluate the operation of the extension and continuing education activities in which the Federal Government engages, and to recommend to the President for transmission to the Congress, by March 31, 1967 and annually thereafter ways in which these activities can be better coordinated, with unnecessary duplication eliminated.

As the hearings showed, the Federal Government now supports many programs for education past the end of formal schooling. Professionals receive grants for further study and specialized training from almost every government agency. High school graduates receive training and education in many programs administered by the Department of Labor. Vocational education is supported for persons still in school and those who have left it. Agricultural extension teaches farmers how to improve their techniques; it also teaches nonfarming subjects to rural people—even after they have moved to large cities. The Office of Economic Opportunity is engaged in large adult and continuing education programs—from basic literacy to job skills. And the Federal Government has made major commitments to elementary, secondary, undergraduate, graduate, and professional education generally.

Up to now, these have all been thought of as separate programs, each instituted for a different purpose and a different clientele. But it has now become clear that our efforts in vocational education, for example, have a major effect on, and must be coordinated with, our manpower training programs; that adult literacy education under the poverty program, for another example, cannot be conducted without reference to vocational education, the demands of the manpower training program, or the activities of the supplementary education centers established by title III of Public Law 89-10 and title I of this bill—necessary and important as it is for our major cities—would

make no sense if it only duplicated the activities now carried on in cities up to 300,000 population, or agricultural extension.

If the Federal Government and the taxpayers are to get full value for expenditures on education, we must assure the necessary coordination for the elimination of duplication. The President has recently set up, by Executive order, an interagency committee to better coordinate the activities of the Federal Government in this field.

The Advisory Council established by section 109 would give this function a statutory basis in law, and would give representation on the Advisory Council to representatives of State and private agencies active in this field. Their reports will serve as a basis for action by the Congress, in the form of improved legislation, and for the Executive, in the form of reorganization within the executive branch.

TITLE II—COLLEGE LIBRARY ASSISTANCE AND LIBRARY TRAINING AND RESEARCH

PART A—COLLEGE LIBRARY RESOURCES

The need

The importance of libraries in our society has been appropriately stated by Prof. Gilbert Highet who writes that "every library is an assertion of man's durable trust in intelligence as a protection against irrationalism, force, time, and death." Yet the quality of our college and university libraries has been progressively deteriorating. Adequate funds simply are not available to meet the new demands placed on our libraries.

As one witness stated (p. 596):

In the past and in keeping with curricular demands, librarians have concentrated on accessions devoted principally to Western civilization; now, however, they are faced with a dual task of continuing these and of either inaugurating and/or increasing their holdings in Latin American, Asian, and African areas as related programs of study are developed. Primary and secondary source materials in huge quantities—indeed whole libraries—have to be acquired. This is not a matter of reading materials alone but also of trained, competent personnel to handle the foreign languages concerned. As the need for greater international understanding and cooperation grows, even greater impetus will be given to the establishment of educational programs, institutes, and centers for the purpose of meeting this new trend. The effective implementation of such programs will depend a great deal for their success on the quality of libraries and their staffs.

Another salutary of the current educational scene is the manifest and growing interest in fine arts. Painting, sculpture, music, and the ballet are all enjoying unprecedented popularity. This not-to-be-discouraged feature of our day leads to an increased demand for expensive art books, records, and magnetic tapes on the part of students and faculty, and has placed an added financial burden on library budgets. These media require specialized equipment which is an added financial burden. We need not advert to the impact of automation and the ensuing leisure time problem,

both of which will influence educators to consider the enhancement of fine arts programs.

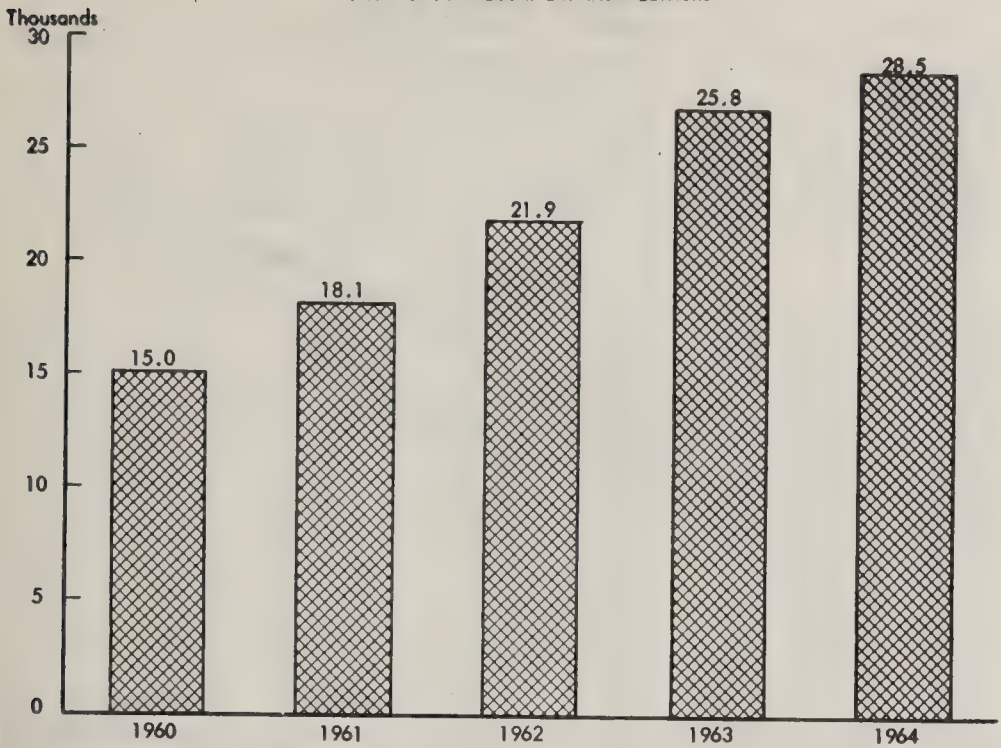
Concomitant with these educational trends is the role of the United States in world leadership. The course of history has placed us at the forefront of Western civilization whose survival is at stake in the existing political confrontation. It has become our destiny as it has been in the past for Spain, France, and England, to assume the task of giving leadership to the peoples of the world not only to safeguard our own national security and to preserve the heritage of Western civilization, but also to lead the world, prudently along the path of future history. In this context higher education becomes a precious national resource essential to the achievement of great national goals, so that wise and competent leaders are clearly necessary. The development of such leaders is directly related to the quality of higher education, which in turn is contingent upon the facilities and the quality of our libraries.

Although the Nation contains some of the finest university libraries, the number of inadequate college and university libraries is overwhelming. Fifty percent of our 4-year institutions of higher learning and 82 percent of our 2-year institutions fall below accepted minimum standards in the number of volumes in their libraries. Current national statistics indicate a decline in the number of college and university library books per student, resulting from enrollments that are increasing faster than per-student expenditures for books. Statistics presented to the committee indicated that well over \$200 million is needed merely to stock the shelves of our universities with the books necessary for the present student and faculty population—this is not taking into account the fact that college and university enrollments are expected to increase from today's 4.8 million to 6.9 million by 1970. If an institution of higher learning desires to have an up-to-date library collection, evidence shows that the institution should reserve 5 percent of its total annual operating expenditures for this purpose. However, the average national expenditure is only 3.5 percent and a number of institutions spend less than 1.5 percent.

There are two basic factors that account for the decline, rather than the improvement, in the adequacy of our institution's libraries. The surging growth in enrollment creates a situation in which the institutions are unable to meet, unaided, the increasing demand for study and research materials. Student enrollment is increasing at a phenomenal rate, the numbers of faculty are necessarily increasing to accommodate the increased student population, and new institutions are being established. All of these developments, in turn, increase the need for greater library resources.

The second basic factor can be attributed to the "knowledge explosion" and the resulting floodtide of new publications. The number of book titles published in the United States rose from 10,000 in 1930 to 15,000 in 1960; and to nearly 28,500 in 1964. Throughout the world about one-quarter million books were published in 1962 and more than 100,000 journals are now released annually. Chart A illustrates the publication explosion.

CHART A
U.S. BOOK PRODUCTION
Titles of New Books and New Editions

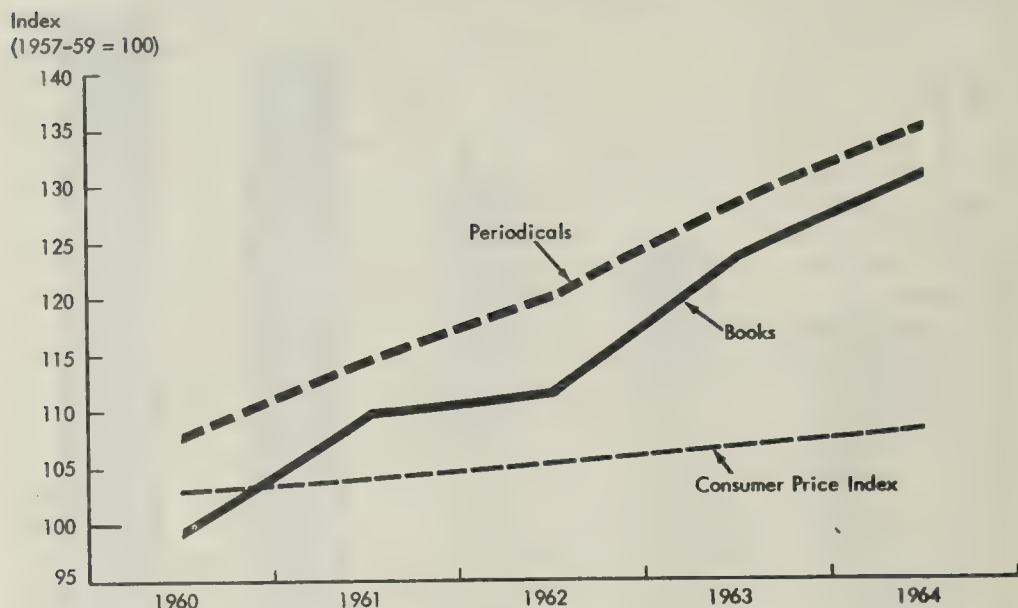


Excludes government publications, books (except encyclopedias) sold only by subscription, and pamphlets under 49 pages.

Further, the cost of all library materials has considerably increased. The average book costs are now 31 percent more than in 1957-59 and the average periodical subscription increased by 35 percent. Chart B presents this situation graphically. To acquire the same materials, the average college or university library, servicing now more students, faculty, and researchers, has to spend one-third more than 5 years ago. In addition, these libraries should have purchased more to keep abreast of the publications and knowledge explosions, the curriculum expansion and the growing emphasis on independent study programs.

CHART B

PRICES OF LIBRARY MATERIALS



There are still other factors contributing to the pressures on our institutions' libraries. New departments are being established and new subject areas are increasing. There has been a phenomenal growth in research, particularly contract research in science and technology, in universities. Much of this research has been encouraged and supported by the Federal Government. All these factors have multiplied the demands for library service and for adequate collections of books and other library materials.

The Congress has wisely made an investment in graduate education through the National Defense Education Act and the many fellowship and traineeship programs of the various Federal agencies. As a result, the number of doctoral degrees is doubling every 10 years. Yet at least 15 universities which offer a Ph. D. degree have libraries with fewer than 150,000 volumes, barely enough for a small liberal arts college. This inadequacy is further compounded by the 6 million professionals whose careers depend upon the availability of superior library resources.

The proposed legislation will be of substantial educational significance to our present 5 million college students and their 350,000 teachers. The materials placed in these libraries will serve present and future classes. They will be of particular significance to the 2-year junior and community colleges and predominantly Negro institutions where 80 percent of the 4-year institutions and all 2-year institutions are below standard. The proposed legislation will substantially help to close this national educational gap existing in our libraries.

A recently published State by State tabulation of academic library needs in both 4-year and 2-year institutions are shown in tables 1 through 4. Key national summary data are presented in tables 5 through 7.

TABLE 1.—*Library needs in volumes and cost of 4-year institutions of higher education with libraries of under 300,000 volumes*¹

[Aggregate United States, 1962-63]

State	Number of libraries		Volumes in libraries not meeting standard		Retrospective deficiency		
	Total number of libraries	Number not meeting volume standard	Total number of volumes	Number of volumes required to meet standard	Number of volumes (difference between cols. (4) and (5))	Dollars at \$9 per volume deficiency ²	Dollars at \$5.20 per volume deficiency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Alabama.....	19	16	896,902	1,310,000	413,098	\$3,717,882	\$2,148,110
Alaska.....	2	2	111,476	190,000	78,524	706,716	408,325
Arizona.....	3	3	119,851	310,000	190,149	1,711,341	988,775
Arkansas.....	16	15	651,870	1,360,000	708,130	6,373,170	3,682,276
California.....	96	72	3,946,184	7,280,000	3,333,816	30,004,344	17,335,843
Colorado.....	14	11	766,616	1,300,000	533,384	4,800,456	2,773,597
Connecticut.....	19	17	714,092	1,900,000	1,185,908	10,673,172	6,166,722
Delaware.....	1	1	42,900	50,000	7,100	63,900	36,920
District of Columbia.....	11	8	322,879	650,000	327,121	2,944,089	1,701,029
Florida.....	14	14	806,981	1,440,000	633,019	5,697,171	3,291,699
Georgia.....	25	19	1,060,033	1,600,000	539,967	4,859,703	2,807,828
Hawaii.....	2	2	42,239	120,000	77,761	699,849	404,357
Idaho.....	4	4	452,057	620,000	167,943	1,511,487	873,304
Illinois.....	74	53	2,887,999	5,010,000	2,122,001	19,098,009	11,034,405
Indiana.....	35	27	1,602,159	2,540,000	937,841	8,440,569	4,876,773
Iowa.....	28	23	1,243,974	1,910,000	666,026	5,994,234	3,463,335
Kansas.....	24	21	1,257,031	1,870,000	612,969	5,516,721	3,187,439
Kentucky.....	25	21	1,075,934	2,010,000	934,066	8,406,594	4,857,143
Louisiana.....	18	14	1,058,608	2,080,000	1,021,392	9,192,528	5,311,238
Maine.....	16	12	201,501	630,000	428,499	3,856,491	2,228,195
Maryland.....	27	18	632,236	1,400,000	767,764	6,909,876	3,992,373
Massachusetts.....	61	47	1,699,653	4,120,000	2,420,347	21,783,123	12,585,804
Michigan.....	41	36	1,894,410	3,790,000	1,895,590	17,060,310	9,857,068
Minnesota.....	30	21	1,014,073	1,980,000	965,927	8,693,343	5,022,820
Mississippi.....	16	16	904,167	1,600,000	695,833	6,262,497	3,618,332
Missouri.....	44	37	1,661,517	2,900,000	1,238,483	11,146,347	6,440,112
Montana.....	9	8	405,643	710,000	304,357	2,739,213	1,582,656
Nebraska.....	16	13	679,097	1,140,000	460,903	4,148,127	2,396,696
Nevada.....	2	1	189,288	250,000	60,712	546,408	315,702
New Hampshire.....	8	8	230,216	480,000	249,784	2,248,056	1,298,877
New Jersey.....	25	21	1,119,353	2,860,000	1,740,647	15,665,823	9,051,364
New Mexico.....	7	7	489,091	720,000	230,909	2,078,181	1,200,727
New York.....	122	90	4,745,903	9,180,000	4,434,097	39,906,873	23,057,304
North Carolina.....	37	31	1,902,160	2,880,000	977,840	8,800,560	5,084,768
North Dakota.....	9	9	665,517	960,000	294,483	2,650,347	1,531,312
Ohio.....	56	44	2,661,407	4,440,000	1,778,593	16,007,337	9,248,684
Oklahoma.....	18	16	985,017	1,820,000	834,983	7,514,847	4,341,912
Oregon.....	18	15	666,198	1,210,000	543,802	4,894,218	2,827,770
Pennsylvania.....	108	79	3,828,597	7,290,000	3,461,403	31,152,627	17,999,296
Rhode Island.....	9	9	438,875	990,000	551,125	4,960,125	2,865,850
South Carolina.....	24	19	859,656	1,430,000	570,344	5,133,096	2,965,789
South Dakota.....	13	11	519,960	870,000	350,040	3,150,360	1,820,208
Tennessee.....	35	31	1,503,177	2,790,000	1,286,823	11,581,407	6,691,480
Texas.....	50	44	3,082,654	5,160,000	2,077,346	18,696,114	10,802,199
Utah.....	4	4	120,852	350,000	229,148	2,062,332	1,191,570
Vermont.....	13	11	303,826	600,000	296,174	2,665,566	1,540,105
Virginia.....	33	20	1,113,480	1,900,000	786,520	7,078,680	4,089,904
Washington.....	15	14	1,041,737	1,660,000	618,263	5,564,367	3,214,968
West Virginia.....	16	15	684,016	1,360,000	675,984	6,083,856	3,515,117
Wisconsin.....	34	28	1,186,949	2,450,000	1,263,051	11,367,459	6,567,865
Wyoming.....	0	0	0	0	0	0	0
U.S. service schools.....	6	3	273,736	340,000	66,264	596,376	344,573
Canal Zone.....	0	0	0	0	0	0	0
Guam.....	0	0	0	0	0	0	0
Puerto Rico.....	3	3	146,148	460,000	313,852	2,824,668	1,632,030
Grand total.....	1,355	1,084	56,909,895	104,270,000	47,360,105	426,240,945	246,272,546

¹ Libraries with more than 300,000 volumes are excluded from tables 1 through 4 since collections of this size are assumed to be adequate.² Includes the cost of the volume at \$5.20 plus the cost of processing.

TABLE 2.—*Library operating expenditure needs of 4-year institutions of higher education*

[Aggregate United States, 1962-63]

State	Number of libraries		Expenditures of libraries not meeting standards		Current deficiency
	Total number of libraries	Number not meeting support standard	Current expenditures for operation of libraries	Standard—5 percent "Educational and general" expenditure	Current expenditure deficiency below 5 percent (difference, cols. (4) & (5))
(1)	(2)	(3)	(4)	(5)	(6)
Alabama.....	21	12	\$1,285,331	\$2,184,775	\$899,444
Alaska.....	2	0	0	0	0
Arizona.....	5	4	1,337,713	1,769,511	431,798
Arkansas.....	17	11	747,707	1,557,418	809,711
California.....	101	33	9,731,067	14,506,838	4,775,771
Colorado.....	16	10	1,962,125	3,631,115	1,668,990
Connecticut.....	23	13	1,240,059	1,538,485	298,427
Delaware.....	2	1	375,052	486,361	111,319
District of Columbia.....	15	6	1,505,057	2,771,600	1,266,543
Florida.....	17	10	2,637,304	4,317,202	1,679,898
Georgia.....	27	13	1,645,551	2,775,852	1,130,301
Hawaii.....	3	2	698,390	917,528	219,138
Idaho.....	4	3	431,379	484,104	52,725
Illinois.....	79	46	8,955,117	17,481,534	8,526,417
Indiana.....	39	23	4,559,001	7,597,974	3,038,973
Iowa.....	30	18	2,455,443	3,952,637	1,497,194
Kansas.....	27	16	2,203,051	3,249,668	1,046,617
Kentucky.....	27	10	1,718,215	2,613,117	894,902
Louisiana.....	20	12	2,855,897	3,687,932	832,035
Maine.....	17	6	541,588	810,088	268,500
Maryland.....	29	15	2,362,853	4,936,545	2,573,692
Massachusetts.....	69	45	4,441,899	12,454,070	8,012,171
Michigan.....	44	29	7,038,478	10,906,903	3,868,425
Minnesota.....	31	16	2,637,788	5,306,524	2,668,736
Mississippi.....	17	7	769,397	1,588,307	818,910
Missouri.....	47	28	3,559,025	5,719,249	2,160,224
Montana.....	9	5	298,145	551,491	261,346
Nebraska.....	17	14	1,397,354	2,152,219	754,865
Nevada.....	2	0	0	0	0
New Hampshire.....	10	6	379,987	609,622	229,635
New Jersey.....	28	11	3,004,711	4,930,508	1,925,797
New Mexico.....	8	6	460,393	589,180	128,787
New York.....	134	73	16,573,619	28,629,652	12,056,033
North Carolina.....	39	16	2,088,812	3,489,187	1,400,375
North Dakota.....	9	6	417,910	852,444	434,534
Ohio.....	64	38	6,317,711	10,412,474	4,094,763
Oklahoma.....	20	12	1,643,690	2,315,010	671,320
Oregon.....	20	11	1,818,060	2,494,268	676,208
Pennsylvania.....	113	56	7,916,054	14,148,423	6,232,369
Rhode Island.....	10	5	497,896	824,488	326,592
South Carolina.....	25	13	985,633	1,822,242	836,609
South Dakota.....	13	10	560,565	763,497	202,932
Tennessee.....	37	15	2,082,142	2,914,038	831,896
Texas.....	59	17	3,996,344	5,602,490	1,606,146
Utah.....	7	6	1,667,957	2,477,405	809,448
Vermont.....	13	10	590,337	919,317	328,980
Virginia.....	36	20	2,078,925	3,376,054	1,297,129
Washington.....	17	10	3,385,479	4,878,158	1,492,689
West Virginia.....	17	14	1,117,393	1,910,116	792,723
Wisconsin.....	36	16	2,485,027	5,169,179	2,684,152
Wyoming.....	1	1	260,525	421,547	161,022
U.S. service schools.....	7	7	1,181,879	3,529,249	2,077,370
Canal Zone.....	0	0	0	0	0
Guam.....	0	0	0	0	0
Puerto Rico.....	4	2	973,625	1,643,025	664,400
Grand total.....	1,484	794	131,871,649	224,400,630	92,528,981

TABLE 3.—*Library needs in volumes and cost of 2-year institutions of higher education with libraries of under 300,000 volumes*¹

[Aggregate United States, 1962-63]

State	Number of libraries		Volumes in libraries not meeting standard		Retrospective deficiency		
	Total number of libraries	Number not meeting volume standard	Total number of volumes	Number of volumes required to meet standard	Number of volumes (difference between cols. (4) and (5))	Dollars at \$9 per volume deficiency ²	Dollars at \$5.20 per volume deficiency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Alabama.....	5	5	44,991	100,000	55,009	\$495,081	\$286,047
Alaska.....	1	1	7,992	20,000	12,008	108,072	62,442
Arizona.....	2	2	54,922	95,000	40,078	360,702	208,406
Arkansas.....	2	2	23,637	40,000	16,363	147,267	85,088
California.....	72	68	1,574,654	3,565,000	1,990,346	17,913,114	10,349,799
Colorado.....	5	5	56,968	105,000	48,032	432,288	249,766
Connecticut.....	7	6	44,618	120,000	75,382	678,438	391,986
Delaware.....	2	2	14,689	40,000	25,311	227,799	131,617
District of Columbia.....	6	6	43,114	120,000	76,886	691,974	399,807
Florida.....	25	25	237,693	635,000	397,307	3,575,763	2,065,996
Georgia.....	14	12	140,250	240,000	99,750	897,750	518,742
Hawaii.....	1	1	12,300	20,000	7,700	69,300	40,040
Idaho.....	5	2	28,563	40,000	11,437	102,933	59,472
Illinois.....	34	29	233,869	785,000	551,131	4,960,179	2,865,881
Indiana.....	1	1	13,819	20,000	6,181	55,629	32,141
Iowa.....	20	20	137,467	400,000	262,533	2,362,797	1,365,172
Kansas.....	18	17	148,380	340,000	191,620	1,724,580	996,424
Kentucky.....	9	8	95,186	160,000	64,814	583,326	337,033
Louisiana.....	1	1	18,907	20,000	1,093	9,837	5,684
Maine.....	2	2	9,400	40,000	30,600	275,400	159,120
Maryland.....	15	14	119,948	300,000	180,052	1,620,468	936,270
Massachusetts.....	20	19	137,972	395,000	257,028	2,313,252	1,336,546
Michigan.....	19	17	211,161	480,000	268,839	2,419,551	1,397,963
Minnesota.....	12	10	83,882	200,000	116,118	1,045,062	603,803
Mississippi.....	27	25	259,426	505,000	245,574	2,210,166	1,276,985
Missouri.....	16	12	168,095	260,000	91,905	827,145	477,906
Montana.....	1	0	0	0	0	0	0
Nebraska.....	6	6	31,692	120,000	88,308	794,772	459,202
Nevada.....	0	0	0	0	0	0	0
New Hampshire.....	0	0	0	0	0	0	0
New Jersey.....	9	7	85,888	140,000	54,112	487,008	281,382
New Mexico.....	1	0	0	0	0	0	0
New York.....	55	51	620,373	1,455,000	834,627	7,511,643	4,340,060
North Carolina.....	20	16	213,441	325,000	111,559	1,004,031	580,107
North Dakota.....	4	3	36,456	65,000	28,544	256,896	148,429
Ohio.....	3	3	22,470	60,000	37,530	337,770	195,156
Oklahoma.....	13	13	138,423	265,000	126,577	1,139,193	658,200
Oregon.....	6	6	58,908	120,000	61,092	549,828	317,678
Pennsylvania.....	15	12	122,371	250,000	127,629	1,148,661	663,671
Rhode Island.....	1	1	3,300	20,000	16,700	150,300	86,840
South Carolina.....	4	4	41,069	80,000	38,931	350,379	202,441
South Dakota.....	3	3	20,214	60,000	39,786	358,074	206,887
Tennessee.....	6	4	40,371	80,000	39,629	356,661	206,071
Texas.....	37	33	417,623	725,000	307,377	2,766,393	1,598,360
Utah.....	3	3	21,665	60,000	38,335	345,015	199,342
Vermont.....	3	3	23,583	60,000	36,417	327,753	189,368
Virginia.....	9	8	99,839	160,000	60,161	541,449	312,837
Washington.....	12	12	153,927	320,000	166,073	1,494,657	863,580
West Virginia.....	3	3	35,408	60,000	24,592	221,328	127,878
Wisconsin.....	27	26	120,572	565,000	444,428	3,999,852	2,311,026
Wyoming.....	5	4	29,682	85,000	55,318	497,862	287,654
U.S. service schools.....	1	1	14,617	25,000	10,383	93,447	53,992
Canal Zone.....	1	1	12,500	20,000	7,500	67,500	39,000
Guam.....	1	1	13,071	20,000	6,929	62,361	36,031
Puerto Rico.....	1	1	10,371	20,000	9,629	86,661	50,071
Grand total.....	591	537	6,309,737	14,205,000	7,895,263	71,057,367	41,055,367

¹ Libraries with more than 300,000 volumes are excluded from tables 1 through 4 since collections of the size are assumed to be adequate.² Includes the cost of the volume at \$5.20 plus the cost of processing.

TABLE 4.—*Library operating expenditure needs of 2-year institutions of higher education*

[Aggregate United States, 1962-63]

State	Number of libraries		Expenditures of libraries not meeting standards		Current deficiency
	Total number of libraries	Number not meeting support	Current expenditures for operation	Standard—5 percent educational and general expenditure	Current expenditure deficiency below 5 percent (difference, cols. 4 and 5)
(1)	(2)	(3)	(4)	(5)	(6)
Alabama.....	5	1	\$11,468	\$29,381	\$17,913
Alaska.....	1	1	10,283	16,200	5,917
Arizona.....	2	2	75,230	111,020	35,790
Arkansas.....	2	1	5,903	12,386	6,483
California.....	72	62	3,442,747	6,150,862	2,708,115
Colorado.....	5	3	57,855	93,654	35,799
Connecticut.....	7	3	34,321	40,066	5,745
Delaware.....	2	2	15,099	51,624	36,525
District of Columbia.....	6	6	48,606	248,012	199,406
Florida.....	25	8	266,938	326,612	59,674
Georgia.....	14	8	98,961	122,083	23,122
Hawaii.....	1	0	0	0	0
Idaho.....	5	2	71,003	100,959	29,956
Illinois.....	34	20	419,950	1,719,374	1,299,424
Indiana.....	1	1	18,654	24,813	6,159
Iowa.....	20	10	69,234	94,082	24,848
Kansas.....	18	8	71,992	125,359	53,367
Kentucky.....	9	2	15,423	16,017	594
Louisiana.....	1	1	5,936	7,484	1,548
Maine.....	2	1	591	1,560	969
Maryland.....	15	0	0	0	0
Massachusetts.....	20	14	207,671	546,653	338,982
Michigan.....	19	9	282,429	434,523	152,094
Minnesota.....	12	5	70,474	96,326	25,852
Mississippi.....	27	19	177,120	343,403	166,283
Missouri.....	16	11	177,909	383,201	205,292
Montana.....	1	0	0	0	0
Nebraska.....	6	3	20,507	27,593	7,086
Nevada.....	0	0	0	0	0
New Hampshire.....	0	0	0	0	0
New Jersey.....	9	5	98,189	123,483	25,294
New Mexico.....	1	1	16,474	86,751	70,277
New York.....	55	27	733,035	1,620,655	887,620
North Carolina.....	20	9	137,538	175,589	38,051
North Dakota.....	4	3	33,429	69,454	36,025
Ohio.....	3	2	11,273	44,747	33,474
Oklahoma.....	13	7	102,814	161,189	58,375
Oregon.....	6	3	45,466	124,825	79,359
Pennsylvania.....	15	9	123,724	215,920	92,196
Rhode Island.....	1	1	8,866	11,577	2,711
South Carolina.....	4	2	18,789	38,127	19,338
South Dakota.....	3	2	5,420	10,398	4,978
Tennessee.....	6	2	25,377	57,271	31,894
Texas.....	37	24	428,200	631,657	203,457
Utah.....	3	3	14,862	40,832	25,970
Vermont.....	3	2	36,600	81,820	45,220
Virginia.....	9	6	70,491	125,785	55,294
Washington.....	12	10	374,186	451,666	77,480
West Virginia.....	3	2	29,206	36,331	7,125
Wisconsin.....	27	11	77,753	143,626	65,873
Wyoming.....	5	2	17,830	32,982	15,152
U.S. service schools.....	1	1	22,208	176,796	154,588
Canal Zone.....	1	0	0	0	0
Guam.....	1	0	0	0	0
Puerto Rico.....	1	1	14,901	16,988	2,087
Grand total.....	591	338	8,122,935	15,601,716	7,478,781

TABLE 5.—*Summary costs of library needs of 4-year institutions of higher education*

[Aggregate United States, 1962-63]

Total number of 4-year institutions.....	1, 484
With libraries over 300,000 volumes.....	129
With libraries under 300,000 volumes.....	1, 355

RETROSPECTIVE DEFICIENCY

1. Volumes:	
Institutions meeting volumes standard.....	400
Over 300,000 volumes.....	129
Under 300,000 volumes.....	271
Institutions not meeting volumes standard.....	1, 084
Under 50,000 volumes.....	711
Over 50,000 volumes.....	373
Volume deficiency.....	47, 360, 105
Dollar deficiency, at \$5.20 per volume.....	\$246, 272, 546
Dollar deficiency, at \$9 per volume.....	\$426, 240, 945

There are 413,414 students (FTE) in 711 4-year institutions with libraries of under 50,000 volumes each.

CURRENT DEFICIENCIES

2. Staff:	
Institutions meeting professional staff standards (F.T.E.).....	419
15 or more professional staff members.....	145
Under 15 professional staff members.....	274
Institutions not meeting staff standards:	
15 or more professional staff members.....	0
Under 15 professional staff members.....	1, 065
Staff member deficiency.....	2, 753
Dollar deficiency, at \$6,000 per person.....	\$16, 518, 000
3. Operating expenditures:	
Institutions meeting support standards.....	663
Institutions not meeting support standards.....	794
Insufficient financial data.....	27
Operating expenditure dollar deficiency.....	\$92, 528, 981
In volumes, staff, and operating expenditures the 4-year institutions had a total dollar deficiency of—	
Volumes, at \$5.20 per volume.....	\$246, 272, 546
Volumes, at \$9 per volume.....	\$426, 240, 945
Staff.....	\$16, 518, 000
Operating expenditure.....	\$92, 528, 981
Grand total, at \$5.20 per volume.....	\$355, 319, 527
Grand total, at \$9 per volume.....	\$535, 287, 926

TABLE 6.—*Summary costs of library needs of 2-year institutions of higher education*
[Aggregate United States, 1962-63]

Total number of 2-year institutions, (each has under 300,000 volumes)	591
RETROSPECTIVE DEFICIENCY	
1. Volumes:	
Institutions meeting volumes standard	54
Institutions not meeting volumes standard	537
With fewer than 20,000 volumes	485
With over 20,000 volumes but below standard for their size	52
Volume deficiency	7, 895, 263
Dollar deficiency, at \$5.20 per volume	\$41, 055, 367
Dollar deficiency, at \$9 per volume	\$71, 057, 367
There are 338,054 students (F.T.E.) in 485 2-year institutions with libraries of under 20,000 volumes each.	
CURRENT DEFICIENCIES	
2. Staff:	
Institutions meeting staff standard	83
Institutions not meeting staff standard	508
Each had fewer than 15 professional staff	
Standard called for	1, 809
They had	714
Staff deficiency	1, 095
Dollar deficiency, \$6,000 each	\$6, 570, 000
3. Operating expenditure:	
Institutions meeting support standard	239
Institutions not meeting support standard	338
Insufficient data	14
Each used less than 5 percent of education and general expenses for its library	
Standard called for expenditure of	\$15, 600, 000
They spent for library	\$8, 100, 000
Operating expenditure dollar deficiency	\$7, 478, 781
In volumes, staff and operating expenditure the 2-year institutions had a total dollar deficiency of:	
Volumes, at \$5.20 per volume	\$41, 100, 000
Volumes, \$9 per volume	\$71, 057, 000
Staff	\$6, 600, 000
Operating expenditure	\$7, 500, 000
Grand total, at \$5.20 per volume	\$55, 104, 148
Grand total, \$9 per volume	\$85, 106, 148

TABLE 7.—*Summary costs of library needs of 4- and 2-year institutions of higher education*

[Aggregate United States, 1962-63]

Total number of 4-year and 2-year institutions.....	2, 075
With libraries over 300,000 volumes.....	129
With libraries under 300,000 volumes.....	1, 946

RETROSPECTIVE DELICIENCY

1. Volumes:	
Institutions meeting volume standard.....	325
Institutions not meeting volume standard.....	1, 621
Volume deficiency.....	55, 250, 000
Dollar deficiency, at \$5.20 per volume.....	\$287, 327, 913
Dollar deficiency, at \$9 per volume.....	\$497, 298, 312

CURRENT DEFICIENCIES

2. Staff:	
Institutions meeting staff standard.....	502
Institutions not meeting staff standard.....	1, 573
Staff member deficiency.....	3, 848
Dollar deficiency, at \$6,000.....	\$23, 088, 000

3. Operating expenditures:	
Institutions meeting support standard.....	902
Institutions not meeting support standard.....	1, 132
Insufficient financial data.....	41
Operating expenditure dollar deficiency.....	\$100, 007, 762

There were 751,468 students (F.T.E.) in 1,196 institutions with libraries below the lowest minimum standard for a college library.

In volumes, staff, and operating expenditure the 4- and 2-year institutions have a total dollar deficiency of:

Volumes, at \$5.20 per volume.....	\$287, 327, 913
Volumes, at \$9 per volume.....	\$497, 298, 312
Staff.....	\$23, 088, 000
Operating expenditure.....	\$100, 007, 762
Grand total, at \$5.20 per volume.....	\$410, 423, 675
Grand total, at \$9 per volume.....	\$620, 394, 074

The program

Title II, part A, provides for a 5-year program with \$50 million authorized each year for three types of grants to institutions of higher education.

The bill contains provisions which prohibit the use of funds for the acquisition of library materials to be used for sectarian instruction or religious worship or primarily by any part of the program of a school or department of divinity.

Basic grants

A program of basic grants is provided for colleges and universities, or combinations of such institutions, to assist them in acquiring books, periodicals, documents, magnetic tapes, phonograph records, audiovisual materials, and other related library materials. This will double, and in some instances triple, the funds available for library resources in small and poorly supported colleges. Colleges and universities, including each branch of an institution located in a community different from that in which its parent institution is located, will be eligible to request a basic grant of up to \$5,000, regardless of their student enrollment. These grants will be made if library expenditures are maintained, matching funds are made available on a 1-to-1 basis and provision is made for joint use of library facilities with other institutions where feasible. The committee recognizes that this

method of allocating funds is a departure from the traditional formula for allocation of funds which tends to favor larger institutions. However, the departure will facilitate a program of grants which takes into full account the acute needs in small developing institutions.

Supplemental grants

Also institutions will be eligible for supplemental grants of an amount not to exceed \$10 per full-time student to acquire additional library resources. Special attention will be given to the objectives of these institutions or combinations of institutions in using supplemental grants and available institutional funds. To obtain a supplemental grant an institution must show that it is presently being hindered in its development and improvement due to lack of adequate library resources. Since institutional matching is not required for this type of grant, the committee anticipates that the supplemental grants will provide still another means of special assistance to the particularly needy and developing institutions regardless of size.

Special-purpose grants

To further assist in the acquisition of library materials, special-purpose grants, for which at least 25 percent of the appropriation for this part of title II is reserved, will be made to help institutions which demonstrate special needs for additional library resources, to meet special national or regional needs in the library and information sciences and to establish and strengthen the joint use of library facilities.

In order to receive a special-purpose grant, each applicant must maintain its overall effort for the preceding 2 years, and must also match \$1 for every \$3 in Federal grants.

With the increasing demands upon libraries, institutions of higher education are keenly aware of the necessity of making their dollars go as far as possible in serving their students, faculty, and research workers. Based on the testimony presented, the committee sees interinstitutional cooperation in the use of acquisitions, cataloging, and services as being perhaps the best method for meeting future needs. Notable examples of the potential of college joint activity are the Center for Research Libraries in Chicago, the New England Depository, and the Honnold Library serving five colleges in the California area—all of which have proven successful over years of operation. Many other cooperative library facilities are being organized. In April 1965 the formal organization of the Central States College Association, including nine midwestern colleges, was announced. Among the cooperative activities of the group is the sharing of library resources. In central Texas five universities are linked with a teletype installation that provides access to their collective store of 2 million books through interuniversity library cards issued to faculty, staff, and graduate students. The Countway Library of Medicine at Harvard University, dedicated in May 1965, will grant loan privileges to the medical community of New England and will cooperate with other medical and scientific libraries along the east coast and across the Nation. Such examples are indicative of the growing interest in cooperative ventures. Thus it is the committee's desire, with respect to the special-purpose grants, that special consideration and attention be given to the use of the authorized funds to stimulate the joint use of library facilities.

Advisory Council

An Advisory Council on College Library Resources, consisting of the Commissioner and eight members, will be established to advise the Commissioner in setting up criteria for the awarding of supplemental grants and special-purpose grants. The Council, with respect to the awarding of supplemental grants, will help develop the basic criteria on which institutional need and effort can be determined.

Accreditation requirements

For the purposes of this part, all educational institutions are eligible which have been accredited by a nationally recognized accrediting agency or association, or which in the judgment of the Commissioner, with the acquisition of library resource materials under this part, will within a reasonable time meet the accreditation standards of such national accrediting agencies or associations.

PART B—LIBRARY TRAINING AND RESEARCH

The need

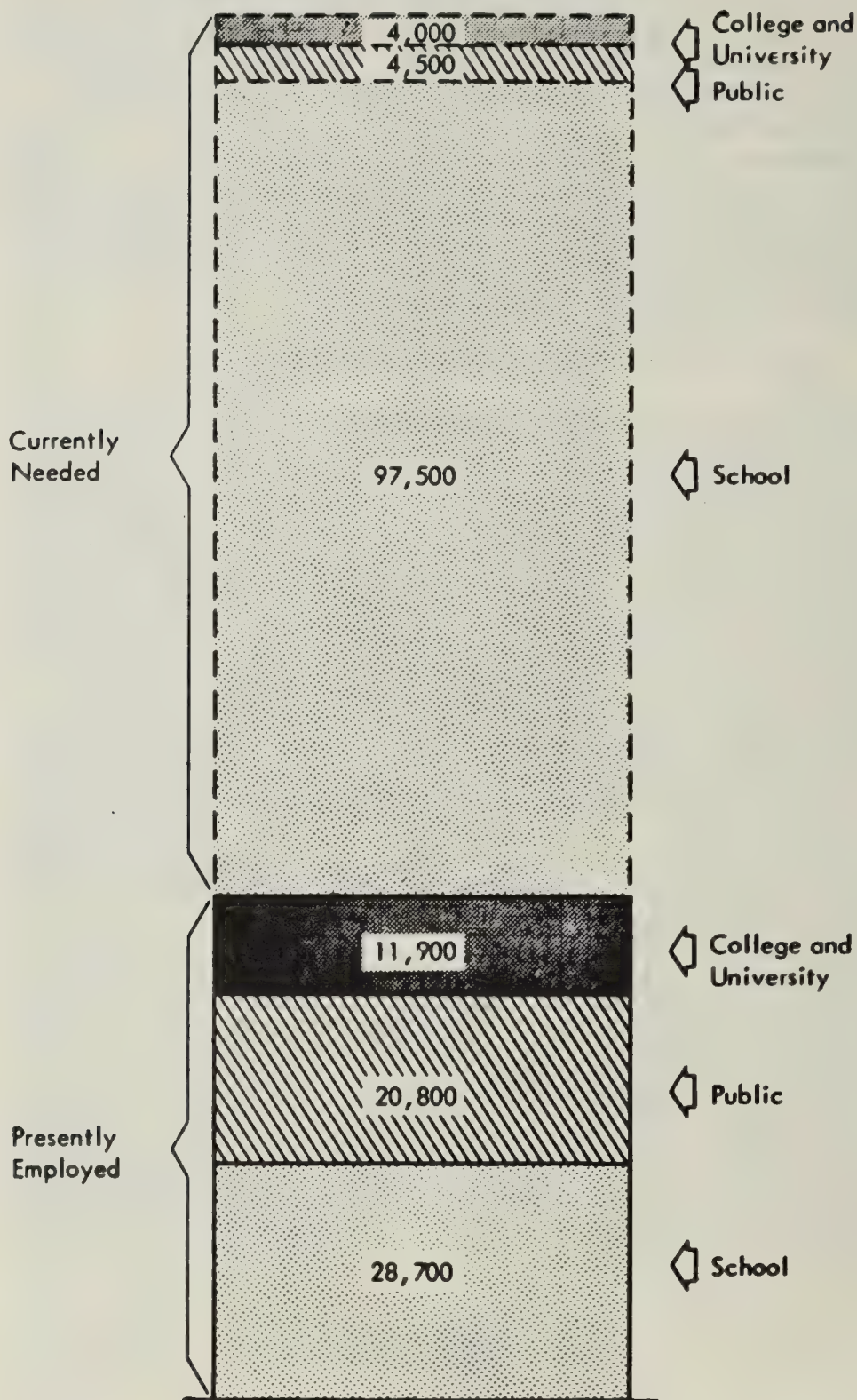
Additional pressures for librarians continue to mount as the population grows and the need for library services continues to expand. Without an adequate corps of trained personnel, the Nation's libraries and information centers which serve the educational, scientific, and intellectual communities, cannot select, acquire, classify, retrieve, and disseminate the vast amount of information now available in books, journals, monographs, studies, and periodicals. With only 3,000 new professionals graduating annually from library schools, the need for an estimated 125,000 additional librarians to simply meet minimum staffing standards for libraries in this Nation is overwhelming.

It was brought to the committee's attention that in all parts of the country, many library programs have floundered and even failed for lack of sufficient staff. The schools upon which the Nation depends for its supply of librarians are having a difficult time meeting the demands of today. With only 33 accredited library schools, only 7 of which are west of the Mississippi, the output of personnel is extremely restricted. There are many other institutions offering library training which could and should be brought up to the standards met by those now accredited.

The committee wishes to point out that the price for this lack of trained librarians is paid by the Nation's schoolchildren. In the public schools the ratio of qualified librarians to pupils today is 1 to 1,254, whereas the accepted national standard is 1 trained librarian to 300 pupils. In 1962-63, only 30,000 school librarians were employed in our public elementary and secondary schools. Of these, 22 percent had completed fewer than 15 semester hours of college work in library science. In 84 percent of our elementary schools, there are no school librarians and professional library supervisors and specialists are lacking in one-third of the State departments of education. A comparison between the existing and the needed library manpower is shown in chart C.

CHART C

PROFESSIONAL LIBRARY MANPOWER



The evidence at hand forms an appalling prospect—the annual increase in the number of librarians is insufficient to even replace those who retire or leave the profession. The very schools that are attempting to meet the need of trained librarians suffer the most as the number of full-time faculty members available for library and information science is the smallest of any of the disciplines. There are only 190 full-time faculty members to staff all of the accredited library schools, an average of less than 6 per school. To meet these needs, title II, part B, calls for \$7.5 million in fiscal year 1966 and \$15 million for each of the 4 succeeding years.

Training

The library can hardly fulfill its proper role as a dynamic, living organism capable of growing to meet multiple demands without sufficient numbers of well-trained, highly qualified librarians. To help meet this need, part B will provide grants to institutions of higher education to assist them in training persons in librarianship. This will include training persons in the principles and practices of the library and information sciences, including the acquisition, organization, storage, retrieval, and dissemination of information, and reference and research use of library, audiovisual, and other information resources.

The committee was pleased to learn of the great enthusiasm that has been shown by persons interested in being trained or continuing their training in the field of library science and librarianship. This is evidenced this year by the large number of applicants for the 26 institutes that were conducted during the summer of 1965 under the authority of title XI of the National Defense Education Act. Unfortunately, out of 5,509 applicants, only 966 applications could be accepted due to lack of sufficient facilities and resources. This serves as a prime indication that the desire of persons in the field of librarianship to improve their qualifications is not lacking. What is lacking are sufficient resources to train the many interested persons. Title II, part B, of the present bill will offer not only an expanded program of summer library institutes but also regular sessions and short-term programs, fellowships, and traineeships.

With the funds provided in this part institutions will be able to offer improved programs of library and information science. With the availability of such grants, accredited schools will be enabled to expand to meet the increasing enrollments. In addition, grants can be made to increase opportunities geographically through the Nation for the training of school, college, and public librarians and for communication specialists. Funds under this part may be used for stipends, and allowances for travel, subsistence, and other expenses of persons undergoing training. The Commissioner may make such grants only upon application by a college or university and only upon finding that their library training programs will substantially increase nationwide library training opportunities.

Research

The Council of Economic Advisers to the President, in its 1964 annual report, points out:

Innovation is the key element in the process of technical change from the standpoint of economic progress * * *.
The physical investment lag—and a perhaps equally im-

portant information lag—means that it often takes years, sometimes decades, for new technology to spread through an industry or an economy.

As the demands upon our libraries increase in quantity and complexity, the necessity for new and improved innovations in library and information sciences also ascends in importance. Research and demonstration are essential to the improvement of library training programs and library services to the Nation. Research must solve innumerable problems such as the storage and retrieval of all recorded information in print, on tape, film, disks, punched cards, or other media, the development of equipment to handle information problems, and the development of State, regional, and National information systems capable of handling our diverse educational and information needs, and research requirements.

Just having library facilities and books available is not enough to meet the demands placed upon our libraries. Effective methods of handling information, the rapid transmission of information, and the application of computers to improve these services will all require effective research. There is an urgent need for this type of research in order to catch up with and then stay ahead of the demands of our society in the information sciences. To overcome this information lag, library research needs specific financial support. Libraries have long served research; now research must serve our system of libraries. This research, in behalf of libraries, will require the assistance and cooperation of mathematicians, engineers, linguists, and automated library and information processes.

Federal support of research and development in 1964 totaled \$15.3 billion. Of this amount, only \$23 million were invested in educational research and of this amount, less than half a million dollars were spent on library research. The severest shortage of research funds has been felt by graduate schools of library and information science. No Federal research funds have been received by 20 of the 33 accredited library schools in the Nation. Only four of the eight schools offering doctoral programs have received research support amounting to more than \$5,000. The average cost of the 900 library research projects conducted over the last 6 years was as low as \$9,700, an amount so small as to make significant results unlikely.

Funds provided under title II, part B, will support many needed research projects. The development of library research and demonstration centers that would coordinate national and regional research efforts and give broader circulation to research findings, is also anticipated with the Federal funds provided under this proposal. The result should be a more rapid and effective growth of library and information services for the benefit of all our people.

PART C—CATALOGING OF LIBRARY MATERIALS

The need

One of the most pressing problems faced by the Nation's libraries for the past 50 years has been that of prompt, effective means of cataloging books that come into the libraries. Books and journals are of no value in a library unless they are readily and easily accessible to the reader. The card catalog is the conventional device used for achieving this end and, therefore, a book or other type of publication cannot be placed on the library shelf until it is cataloged. This operation in-

volves an exacting technical skill and intellectual effort which requires competence in all of the world's ancient and modern languages. This is a very costly, time-consuming operation for any library and duplication effort is a waste of precious resources.

In 1901, when the Library of Congress began selling to other libraries, copies of the catalog cards which it prepares for its own collections, a vital step was taken to meet the urgent problem of cataloging. However, with the passing of years and the growing demands upon our Nation's libraries, cataloging has become a most costly and inefficient element in library operations. For example, the 74 members of the Association of Research Libraries today are spending over \$18 million a year on cataloging alone, and while these are the largest libraries, they are a small fraction of the total number.

Recognizing the great shortage of trained librarians across the country, particularly librarians with the specialized subject knowledge and the language skills required to catalog the kinds of books now required in university libraries, it seems highly desirable, if not totally essential, that these intellectual resources be located in one centralized library to serve the many libraries across the Nation. The worldwide commitments of the United States now demand that students be trained in many fields almost unknown 30 years ago. To support these programs, including those brought into being under title VI of the National Defense Education Act, our libraries must make available books in Arabic, in Urdu, in Swahili, and numerous other languages. Therefore, a strong case can be made for centralization on the basis of effective utilization of scarce manpower alone.

Fortunately the basic cataloging of a book, if it is done in a consistent and standard fashion, need not be repeated when a second library gets the same book—if it can also get a copy of the first library's catalog card promptly. Yet the university libraries of the country can obtain Library of Congress catalog cards when they need them for only a little over half of the books they acquire each year. With the establishment of a method to reduce this nearly 50 percent of original cataloging which is now required, much of it duplicated in libraries across the Nation, the savings will be very substantial and the money released can be spent in strengthening the national pool of books and in providing better library service to students and scholars. The obvious central agency is the Library of Congress, which has already established the mechanisms of information and distribution and is essentially already a national bibliographic center. However, to meet the need, the system must be more adequately financed.

Supporting this program, one witness stated that it will (p. 600)—

“* * * greatly enrich and strengthen the resources of the Library of Congress as a national library;

Utilize more effectively and rationally skilled manpower which is in very short supply;

Enable hundreds of libraries throughout the country to eliminate alarming backlogs of several million uncataloged and thus unusable books;

Provide basic elements required for a national system of automating bibliographic information; and

Release for productive use in the support of teaching and research millions of dollars now spent unnecessarily in duplicative effort.”

The program

Section 241 of this bill will provide \$5 million for the fiscal year ending June 30, 1966, \$6,315,000 for fiscal year 1967, and \$7,770,000 for the following 3 fiscal years. The Commissioner of Education would transfer these funds to the Librarian of Congress for the purpose of acquiring, as far as possible, all library materials currently published throughout the world which are of value to scholarship and for the purpose of providing catalog information for such materials promptly after receipt. With this addition, the \$50 million that will be provided to institutions of higher education in the form of grants to acquire all types of library materials and thus improve their libraries will be even more effective in that institutions will be assisted to more easily meet the heavy burden of staff costs which these acquisitions will demand. These purchase grants will be much more effective with the greater development of a centralized cataloging facility in the Library of Congress. Further, the centralized catalog approach will inevitably lead to a greater degree of cooperation among university and all other types of libraries.

It has been estimated that the \$5 million will insure the acquisition, binding, and cataloging of about 75,000 titles during the first year of operation, in addition to those titles already being cataloged promptly by the Library of Congress. In assisting the Library to acquire more books and to catalog them more rapidly, college and university libraries will be directly assisted through the more rapid provision of cataloging information. The Library of Congress cataloging cards are now going to some 17,000 libraries. The proposed program would increase the availability of that distribution and would clearly be in the interests of research and would be a great contribution to higher education. The cost involved is small when compared with the economies and benefits to be derived.

COST OF BOOKS AND PERIODICALS

The committee expressed its concern that the cost of books and periodicals has risen more rapidly than the cost of living. As Commissioner Keppel pointed out in a letter to the committee: "American libraries must spend about one-third more than they spent in 1960 if present per capita holdings are to be maintained." However, as the Commissioner also indicated in his letter, "With increased funds available to libraries for the purchase of expensive works, it is likely that the increased demand will result in larger editions and lower prices." This observation reflected an assurance by the witness representing the American Book Publishers Council and the American Textbook Publishers Institute, Mr. W. Bradford Wiley, that such would likely be the case. The committee will be closely watching book and periodical prices with the hope and expectation that the moneys allocated to colleges for purchases of library materials under title II of this act will not be eroded by unwarranted increases in the cost of books and periodicals.

TITLE III—STRENGTHENING DEVELOPING INSTITUTIONS

The need

To meet the rapidly increasing demand for higher education, a grave problem has developed. Faced with a chronic shortage of good teachers and adequate facilities, educators have been forced to stretch existing resources in too many instances beyond their necessary limits. Too high a proportion of the Nation's colleges and universities are not offering education of an adequately high standard. Evidence presented to the committee showed that fully 10 percent of the 2,300 institutions of higher learning in the United States have not met the minimum standards of academic quality required for accreditation. Many others constantly face the threat of losing their accreditation because of borderline performance. So poor, in fact, are some institutions that, as the Commissioner of Education reported:

Many students are now finishing high school with more advanced information than is taught in some of our small colleges.

This low quality on the part of assignment of American higher education must not be lightly regarded. Building hundreds of colleges and developing thousands of teachers could be a futile exercise if this new quantity is not accompanied by the standard of quality we wish to see for our citizens. The whole purpose of encouraging young people to study further is vitiated if the colleges which they attend are not of sufficient caliber to offer them a higher education. Commissioner of Education Keppel warns:

Perhaps if we did not need all our institutions we might turn our backs and allow only the fittest of our colleges to survive. This is a step we cannot afford. We must instead regard developing institutions as among our greatest challenges.

Title III of this legislation represents an important step in meeting this challenge.

Smaller and inferior colleges are beset with a series of problems which must often appear insoluble. They are generally plagued by limited financial support, high dropout and transfer rates, a narrow span of course offerings, and insufficient library, laboratory, and instructional equipment. But it is these chronic inadequacies that make it difficult for developing institutions to attract the sort of assistance they need to overcome their failures. The problem is circular. The colleges are poor, so they cannot become better.

The difficulty of developing a strong faculty exemplifies well the general dilemma of the developing institution. In the first place, they cannot compete for highly qualified personnel with established universities, either in salary or in prestige or in research facilities. Moreover, because of lack of staff, they must demand excessive teaching loads of their own faculty. This means that the faculty members have little chance for the research and other scholarly activity necessary for their personal development. Even in subject areas where these colleges have strengths, it is difficult to maintain them because of the high turnover rate of their faculty and because of the school's loss of contact with the most recent advances in the various academic fields.

A solution

An unusually effective method of maximizing the strength of our limited national resources for education is the interinstitutional cooperative program. A limited number of such programs have been developed in recent years. These arrangements enable institutions to share their strengths and, at the same time, to compensate for their weaknesses. They are of special assistance to the smaller colleges which are most crippled by lack of resources.

Cooperative programs take many forms; exchange of faculty and students, faculty improvement programs, programs involving alternate periods of academic study and business or public employment, and joint use of facilities. Under these arrangements, libraries can be shared for their more esoteric fields, wider ranges of classes can be offered, and administrative knowledge and skill can be developed. The possibilities for cooperative work are seemingly as broad as is the range of university endeavor. However, these possibilities are severely limited by lack of financial resources.

The committee found that particularly interesting among the cooperative programs which have been developed are the sister-relationships between larger universities and smaller colleges. An example of such a sister-relationship is the cooperative program between Brown University and Tougaloo College, a small predominantly Negro college in Mississippi. The committee feels that these associations are among the most encouraging developments in contemporary higher education. Such programs promote the mutual growth of both associated schools. The smaller colleges benefit from the expertise and the greater resources of the major universities. The large research universities, in turn, can benefit from the humanizing influence and certain special teaching skills of the smaller struggling institutions.

There are presently seven formal sister-relationships in the country. There are many other informal exchanges and there are several such programs now at the discussion stage. The main obstruction in the further development of these programs is lack of financial resources; yet, one of the great virtues of cooperative programs is that they require a minimum of financial support. They are in no way as costly as outright grants to cover the needs of the smaller colleges, and in many ways they are more effective. At the present time giving each of these schools large grants would not solve their problems because there just are not enough good teachers to go around. As long as there are not sufficient numbers of qualified teachers and sufficient educational resources for students and teachers, cooperative programs offer a method for spreading knowledge to as many students as possible today.

The program

Title III represents a significant step in the direction of upgrading the smaller less fortunate colleges of the country. This title provides a 5-year program of grants to institutions of higher education and to teaching fellows to assist in raising the quality of developing institutions. For each fiscal year from 1966 through 1970, the bill authorizes appropriations of \$25 million for developing institutions awarding bachelor's degrees, and another \$25 million for 2-year institutions. The bill would authorize appropriations of an additional \$5 million for fiscal year 1966, and \$10 million for each of the next 4 fiscal years,

to be used for either 4-year or 2-year institutions, in the Commissioner's discretion.

The bill as introduced limited participation under title III to degree-granting 4-year colleges. While the committee recognizes the need for substantial assistance to 4-year colleges which are struggling to maintain and develop their own quality, it was felt that the similar needs of our smaller junior colleges and technical institutions should be given equal emphasis. The committee is keenly aware of the progress which junior colleges and technical institutions are making to provide educational opportunity to an ever-larger number of our Nation's youth. Some of these 2-year institutions are making remarkable efforts to improve their programs, and it would, in the committee's view, be unfair to exclude such institutions from eligibility for financial assistance under title III.

In order to assure that adequate funds are available for both 4-year and 2-year institutions, the bill, as reported, authorizes equal sums for each category. Instead of taking away from the requested authorization for 4-year colleges, the committee recommends an authorization for title III nearly double the original request, but the total authorized for this title is only a modest investment in terms of the return which the Nation can expect in improved educational quality.

In order to be eligible for assistance under title III, an institution must be a public or nonprofit educational institution which: (a) Admits as regular students only high school graduates or the equivalent, (b) provides an educational program for which it awards a bachelor's degree, or provides not less than a 2-year program creditable toward such a degree or provides a 2-year technical program, and (c) is accredited or making reasonable progress toward accreditation, and such institution must have met these requirements for the 2 academic years preceding the year for which it seeks assistance.

The further prerequisite for assistance under this bill is, of course, that the school aided be a developing institution. Certain general requirements are specified in the bill. For example, the college must be—

seriously handicapped in its efforts to improve staffs and services by lack of financial resources and a shortage of qualified personnel.

The school must be making a reasonable effort to improve its teaching and administrative staffs and its student services.

The committee, recognized however, that no hard-and-fast line separates developing from established institutions and that in the end final determination is a matter of interpretation. The main intent of the committee in judging whether a college qualifies as a developing institution is stated in the first sentence of the title. The bill is to assist institutions which—

for financial and other reasons are struggling for survival and are isolated from the main currents of academic life.

It is intended that identification of eligible colleges will be made according to the sense of this clause. The title stipulates that the Commissioner of Education shall be assisted in this determination by an Advisory Council on Developing Institutions.

Cooperative programs

Two general mechanisms are provided for strengthening developing institutions. The first is the appropriation of funds for use as grants to support cooperative arrangements aimed at building up these colleges. According to the bill—

such cooperative arrangements may be between developing institutions; between developing institutions and other colleges and universities; and between developing institutions and organizations, agencies, and business entities.

As pointed out above, cooperative arrangements may take an almost limitless variety of specific forms. The committee did not want to limit the flexibility of these programs so it left open a wide range of possibilities for cooperative programs. However, the legislation provides that proposals for which grants are requested must set forth procedures designed to guarantee that the Federal funds made available will supplement rather than supplant State and local funds, establish fiscal control procedures, and provide for periodic reports to the Commissioner.

It should be noted that developing institutions are not distributed equally among the States nor are they related directly to any single factor or group of factors within a State. Therefore, in order to best distribute the appropriations to the colleges most deserving of them, the committee felt that allocations should be made directly to the selected institutions. In sister relationships a grant may be given either to the developing college or to the established university for cooperative use.

The committee adopted language to emphasize that the improvement of the administration of developing colleges would be an appropriate part of programs assisted under such cooperative arrangements. The introduction of modern and adequate management techniques and processes are essential to support new and strengthened academic programs. The development of a strong institutional planning and development program is a cornerstone in the development of sound academic programs.

The committee thought it desirable to emphasize that faculty improvement programs of developing colleges might desirably include fellowship programs to enable faculty members of developing colleges to study toward advanced degrees at other institutions. This is the other side of the coin to the program described below under which national teaching fellowships would bring highly qualified graduate students and junior faculty members from stronger institutions to teach at the developing college for periods up to 2 years. As the table below indicates, developing colleges have not been able to secure their fair share of teachers with advanced degrees, and fellowships making it possible for junior faculty members of developing colleges to work toward higher degrees would help to improve the ratio.

Levels of highest earned degrees of full-time teaching faculty, 1962-63

[In percent]

	Doctorate	Master's	Bachelor's
Institutions having fewer than 200 faculty members.....	40	41	19
Universities.....	58	25	17
All 4-year institutions.....	51	33	16

Fellowships

The other mechanism provided by title III for strengthening the smaller colleges of this country is the establishment of a program of national teaching fellowships to be awarded by the Commissioner to highly qualified graduate students and junior faculty members of stronger institutions to encourage them to teach at developing institutions. Such fellowships may not exceed 2 academic years nor may a fellowship extend beyond June 30, 1970. Stipends will not exceed \$6,500 per year plus \$400 for each dependent. The finding of such fellowships the committee understands will be included in the project awards for both 2- and 4-year institutions.

Some private groups, recognizing the need in smaller colleges for good teaching, have developed programs designed to encourage young teachers to spend a year or two at developing institutions. The Woodrow Wilson Interns and the Southern Teaching Program, Inc., have both had some success in this area. The main limitation of these programs has been a lack of financial support. It appears that the same sort of idealism that has motivated countless Peace Corps volunteers exists also among some of these young teachers. But it is not enough for them to want to volunteer. It must be made possible for them to volunteer. The national teaching fellowships can open this possibility to them.

These fellowships can promote higher quality teaching and revitalization of faculties and academic programs in the developing colleges. They can at the same time provide an outlet for the idealism of young teachers and give these academicians a broader range of personal experience which should strengthen their teaching abilities wherever they might be.

TITLE IV—STUDENT ASSISTANCE

The need

The pressing requirement for fresh, vigorous congressional action in the general field of student financial assistance cannot be emphasized too strongly. Information delineating the continuing upward spiral of the cost of education beyond the high school, the rapidly mounting size of high school graduating classes—beginning with the record-setting number of graduates in the June 1965 class—and the aggravated plight of students who do not have the means to acquire education, demonstrates in clear terms the extent and depth of the problem.

Surrounding the question of how best to increase the supply of trained manpower—at all levels—is the continuing shortage of trained, educated persons in many areas. Despite the creation of new programs for the support of highly trained persons in a number of specialized areas, the booming technological development of our economy is creating present and future shortage of competent, well-trained professional and technical personnel. Such shortages constitute a serious threat to continued technical and scientific progress, to military strength, to every area of research and development, to education itself, and to the highly important health and welfare programs advanced by this Congress.

In short, a broad, well-coordinated program of student financial assistance extending to virtually all areas of postsecondary educational opportunity is of fundamental importance in helping to meet current shortages and future needs.

The cost of attending a public institution in academic year 1964-65 was \$1,560, an increase of 30 percent over the 1954-55 average, of \$1,190. The 1970-71 projected figure is \$1,840, 20 percent higher than the 1964-65 level. The costs of private higher education have risen at an even faster pace, increasing almost 40 percent from the 1954-55 level of \$1,700 to \$2,370 today. By 1970-71, this figure will have jumped 20 percent, to \$2,780. No relief is yet in sight for this college cost spiral and it is estimated that tuition will rise by another 50 percent in both private and public institutions over the next decade.

Estimated costs for tuition and required fees and total cost of attending college, per student, 1930-31 through 1980-81, by control

Year	Tuition and required fees		Total costs of attending college	
	Public	Private	Public	Private
1980-81.....	\$760	\$1,815	\$2,400	\$3,640
1978-79.....	653	1,647	2,270	3,450
1976-77.....	560	1,494	2,160	3,280
1974-75.....	480	1,355	2,040	3,100
1972-73.....	411	1,229	1,940	2,940
1970-71.....	353	1,115	1,840	2,780
1968-69.....	303	1,011	1,740	2,640
1966-67.....	260	917	1,640	2,570
1964-65.....	222	831	1,560	2,370
1962-63.....	191	753	1,480	2,240
1960-61.....	179	676	1,400	2,090
1958-59.....	164	584	1,330	1,950
1956-57.....	142	495	1,260	1,820
1954-55.....	139	438	1,190	1,700
1952-53.....	137	420	1,130	1,590
1950-51.....	138	414	1,070	1,480
1948-49.....	140	396	1,010	1,380
1946-47.....	125	330	960	1,290
1944-45.....	95	280	910	1,200
1942-43.....	88	276	860	1,120
1940-41.....	82	270	830	1,080
1938-39.....	79	256	810	1,050
1936-37.....	78	253	790	1,020
1934-35.....	75	252	770	1,000
1932-33.....	71	251	750	980
1930-31.....	71	252	730	960

In June of 1965 the Nation's high schools graduated the largest group of seniors in history and next September's college freshman class, estimated at 1,379,000, is by far the largest ever enrolled—greater than all the World War II veterans enrolled in the period 1945-47. For the average family with one or more children in college, the total investment in education is second in size only to the family investment in a home. Unlike home mortgage costs, which can be spread over two or more decades, the cost of higher education is heavily concentrated in a short span of years.

Figures produced from Project Talent, a recent study financed by the Office of Education, indicate all too clearly the frequency with which a student is presently forced to forgo the opportunity of postsecondary education because of inability to meet the costs. In terms of aptitude among the top 50 percent of boys graduated, 37.9 percent of those from families with less than \$3,000 annual income did not enroll in college. The situation for girls is even less equitable. Of the top 50 percent, 57.9 percent of those from families with an income of less than \$3,000 did not enter college.

According to the U.S. Office of Education, there were in 1960, 1,079,000 high school graduates not attending college. Of that number, 42 percent indicated that finances played a role in their decisions not to go. Of these, nearly half flatly said they could not afford to consider college at all. Thus, it is reasonable to expect that some 217,000 high school graduates who would have liked to continue their education were prevented from doing so because of financial inability. Of the numbers of young people who did go on to higher education, 22 percent dropped out by the end of the first year. Of these, 28 percent gave lack of money as a prime reason for their withdrawal.

These statistics are chiefly an expression of the plight of low-income families and their children. The relationship between family income and college attendance is clear. In 1960, for example, 78 percent of all high school graduates whose families had incomes of \$12,000 or more per year attended college. By contrast, only 33 percent of students in the \$3,000 or less family income bracket went on to higher education.

As these figures show, the number of high aptitude students unable to continue their education through the college years is not confined to the low-income family groups alone. U.S. Commissioner of Education Francis Keppel, has rightly noted in testimony before the Subcommittee on Education that the college "price squeeze" has become—

increasingly onerous for middle-income families whose children do not qualify for financial aid through such programs as the National Defense Education Act, title II, or programs for student employment. To cover average annual expenses for college students, these families must make cash payments of nearly \$10,000 during a 48-month period.

In developing the comprehensive student assistance program reviewed in detail below, the committee has drawn upon existing programs and experience, and by extension and amendment fitted these into a pattern together with new programs. Also, attempts have been made wherever possible to maximize the current efforts of States and other private nonprofit organizations now operating student assistance programs. The challenge of keeping the college door open to all students of ability is of such dimensions as to demand the highest level of coordination among all types and levels of student assistance programs.

PART A—UNDERGRADUATE SCHOLARSHIPS

The need .

Recent studies show conclusively that the burgeoning costs of higher education have already priced baccalaureate and graduate degrees completely out of the market for millions of young Americans. The expense of post-high-school education has so increased that a 4-year university education away from home costs between \$6,000 and \$18,000.

Elmer West, then of the American Council on Education, made a recent study of nearly 8,000 scholarship winners in 65 leading institutions of higher education. Only 1,264 of these scholarships went to young people from families with income under \$5,000. On the other hand, 4,877 of the scholarship winners were from families with incomes over \$7,000 a year. Nearly twice as many scholarships went to students from families with \$13,000 or more income as to students from

families with less than \$3,000 income. Well intentioned as existing scholarship programs may be, it is clear that they are not reaching the young people who have the greatest need for assistance.

Existing programs of student support in higher education have not only failed to reach the low-income groups, they have failed to meet the growing, across-the-board total need. Loans and part-time work cannot always permit a student to cope with the costs of higher education. A college education might never become a reality for the young person who must go into debt for every additional credit hour, or every new textbook. Students from lower income families, where debt has always meant hardship, will get little encouragement as the debt mounts and graduation and a job are still far away.

For a student from a family that cannot contribute significantly to higher education costs—generally acknowledged to be the case for families earning less than \$5,000 and having two children—it is not possible to meet the average \$1,700 annual cost even by earning \$500 and borrowing \$1,000 under the College Work-Study and National Defense Education Act programs.

The program

The undergraduate scholarship program has a number of purposes, both direct and indirect. The primary objective is to provide institutions with grants from which scholarship awards to qualified students from low-income families may be made. The students to be selected for these awards must, in addition to demonstrated ability to pursue a program of higher education successfully, be from families whose size and income level are such as to provide little or no support for a student attending college.

For first year awards—for entering freshmen or transfer students from 2-year institutions—the grant ranges from a minimum of \$200 to a maximum of \$800.

Typical scholarship, by income level and family size

Number of children in families	1	2	3	4	5	6	7+
Under \$3,000.....	800	800	800	800	800	800	800
\$3,000 to \$3,600.....	700	800	800	800	800	800	800
\$3,601 to \$4,200.....	600	700	800	800	800	800	800
\$4,201 to \$4,800.....	500	600	700	800	800	800	800
\$4,801 to \$5,400.....	400	500	600	700	800	800	800
\$5,401 to \$6,000.....	300	400	500	600	700	800	800
\$6,001 to \$6,600.....	200	300	400	500	600	700	800
\$6,601 to \$7,200.....	0	200	300	400	500	600	700
\$7,201 to \$7,800.....	0	0	200	300	400	500	600
\$7,801 to \$8,400.....	0	0	0	200	300	400	500
\$8,401 to \$9,000.....	0	0	0	0	200	300	400
\$9,001 to \$9,600.....	0	0	0	0	0	200	300
\$9,601 to \$10,000.....	0	0	0	0	0	0	200

Assuming an average award of \$500 per student per year, the proposed program in the first year would permit scholarships to be awarded to approximately 140,000 students.

With the average cost of a year's attendance at college above \$1,600 in public institutions and above \$2,500 in private institutions, it is obvious that the grant in most instances must be combined with loan or possibly student employment assistance in addition in order to provide a package of financial aid sufficient to meet the student's need. It is to be hoped that many who will qualify for the scholarships provided under this part may also qualify for assistance from

other State or private scholarship programs, so that from some source or another the needs of the student can be met by such mechanisms and combinations which are most beneficial to him.

To this end, the committee believes that colleges and universities must continue to exercise the crucial judgments not only as to which students are to be selected for grants, but also as to how financial support will be provided. To avoid undue dependence on any single type of program, each institution is encouraged to make appropriate combinations of assistance from Federal, State, and local sources.

Grant fund allocation will be made first, among the States, according to a three-part formula identical to that now contained in the college work-study program. This system gives due recognition not only to the number of full-time college students and the number of high school graduates within a State, but also to the number of children under 18 living in families with annual incomes of less than \$3,000.

From within the State's allocation, the Commissioner will make allotments to individual institutions based upon their applications for funds under criteria designed to achieve equitable distribution of funds within the State to all eligible participating institutions.

The committee wishes to point up certain unique features of the scholarship part of title IV, and to emphasize again the crucial role of this program in bringing into the college community substantial numbers of qualified students who would not otherwise be there.

First, there is a provision whereby the Governor of any State may request that not to exceed 15 percent of the State's apportionment for any fiscal year be paid to such State for use in granting scholarships under a State program. Conditions for such payment include a matching expenditure from State funds in excess of amounts expended for scholarships by the State in the previous year, as well as a requirement that these scholarships be granted on the same basis of need, and are substantially the same in other respects as those granted by institutions themselves. In this way, all of the existing State scholarship programs, as well as new ones which might be created, may expand their activities to support larger number of students already selected through scholarship competition within the State.

Secondly, there is a clear-cut preference or priority for entering freshmen and for students transferring from 2-year institutions. This has the effect of concentrating initial year scholarship funds at the crucial point of transition from high school to college. The committee believes, however, that colleges and universities must all make determined efforts to seek out qualified students even before the senior year in high school. Much of the research on patterns of college attendance indicates that the point of critical decision as to whether a given student will or will not attend college lies in the seventh and eighth grades. With this in mind, participating institutions have been given special authority to make vigorous efforts to identify qualified students, and to make tentative commitments of financial assistance to students below the 11th grade. To support colleges and universities in this activity, up to 5 percent of the scholarship grant funds may be used by the institution for administrative expenses.

Third, to support efforts of States and institutions, the proposal also provides special authority for the Office of Education to contract with public and nonprofit organizations and institutions, and State and local educational agencies to conduct special identification and

encouragement programs, and publicize existing forms of student financial assistance.

Fourth, the committee believes that colleges and universities must have firm commitment of fund allocations well in advance of any September college registration period, in order that institutions may make proper commitment of scholarship awards to entering students. To support this concept, language has been included which makes funds appropriated in one fiscal year available in the year following the year in which appropriated. Thus, if funds were appropriated for fiscal year 1966, but were not actually expended until the following year, colleges would be in a position during 1965-66 to make firm scholarship commitments to students still attending the last year of high school, but who will not enter college until September of 1966.

Fifth, in recognition of the fact that academic achievement should be given due notice, there is a provision for increasing the maximum award from \$800 to \$1,000 per annum during the second, third, and fourth years for any scholarship holder who ranks in the upper half of his class. All first-year award holders are thus allowed a chance to demonstrate college level achievement on an equal footing.

The committee has estimated the cost of the program from 1966 through 1970 on the assumption that each first-year scholarship recipient will continue to receive the scholarship during the second, third, and fourth years. However, in light of experience with the NDEA student loan program, and assuming that some scholarships will be given to students taking only a 2-year course, the cost can be expected to be lower.

Number of scholarships provided under title IV, pt. A, of S. 600

Number of awards	Fiscal, 1966	Fiscal, 1967	Fiscal, 1968	Fiscal, 1969	Fiscal, 1970
1st year.....	140,000	140,000	140,000	140,000	140,000
2d year.....		126,000	126,000	126,000	126,000
3d year.....			114,000	114,000	114,000
4th year.....				108,000	108,000
Total.....	140,000	266,000	380,000	488,000	488,000
Total full-time undergraduate enrollment ¹	5,089	5,445	5,696	5,924	6,182
Awards as percent of enrollment..	2.75	4.88	6.67	8.24	7.89

¹ Expressed in thousands

Finally, the committee wishes to reemphasize the importance of allowing the college or university to bring together multiple sources of financial aid in order to assist the student from a low-income family background. The table below demonstrates several models of such aid, together with sample student budgets.

PACKAGING OF STUDENT ASSISTANCE IN 6 TYPES OF INSTITUTIONS OF HIGHER EDUCATION

TABLE A.—*Composition of assistance to a needy student with no parental support, by type*

	High-cost, private university	High-cost, private liberal arts col- lege	State uni- versity	State col- lege (com- muters)	Public junior col- lege (com- muters)	Private technical institute (commut- ers)
NDEA loans.....	\$800	\$800	\$350	\$100	-----	\$300
Federal scholarship.....	500	500	500	500	500	500
College work-study.....	600	600	600	-----	-----	-----
Student summer work (freshman and sophomore).....	250	250	250	250	250	250
Institutional grants-in-aid.....	800	800	-----	-----	-----	150
Other.....	400	150	-----	-----	-----	-----
Total assistance.....	3,350	3,100	1,700	850	750	1,200

TABLE B.—*Expenses of the typical student, by category, in the same institutions*

	High-cost, private university	High-cost, private liberal arts col- lege	State uni- versity	State col- lege (com- muters)	Public junior col- lege (com- muters)	Private technical institute (commut- ers)
Total expenses.....	\$3,350	\$3,100	\$1,700	\$850	\$750	\$1,200
Tuition and fees.....	1,750	1,500	250	150	50	500
Room and board.....	800	800	800	-----	-----	-----
Books and supplies.....	100	100	100	100	100	100
Transportation.....	300	300	150	200	200	200
Personal expenses and miscel- laneous.....	400	400	400	400	400	400

*Section B—Guaranteed reduced interest loans to students**The need*

It is well known that the financial burdens families now face, if they are to provide education for their children, are becoming increasingly heavy. The reasons for this are evident.

1. The amount of education needed by young people is increasing steadily.

2. Educational costs and the charges made to students have grown steadily, in the past decade increasing faster than average incomes.

3. The demand for or the expectation of other consumer services has been growing and these demands compete powerfully for the increase in family earnings and disposable income.

4. There has been an increase in the number of children per family, particularly in the middle-income range.

5. There is a growing necessity for intermittent reeducation of the parents throughout their lifetimes, both for social values and occupational retraining, which may interrupt earnings and reduce savings.

As a result of these influences, the financial pressure now bears heavily not only on the low and lower-middle income families but also on middle and upper-middle income families who only a few years ago would have been adequately capable of paying for their children's education.

Addressing himself to the obstacles confronting middle-income families trying to provide a college education for their children under existing loan programs, the Commissioner of Education in testimony before the subcommittee noted:

Such families are excluded from virtually all existing State or private nonprofit guarantee programs by a financial needs test. Commercial credit sources remain open to them, of course, but repayment normally runs concurrently with the years in which the student attends college, so that a disproportionate share of family income must still go to the child or children in college. Thus, under the most widely used collegiate method of assessing financial need, the two-parent family with two children and \$13,000 in income is judged to be capable of paying, with no undue hardship, the entire average cost at either a public or private institution each year for 4 years. To do so means diverting 17 percent of the family income before taxes to meet the cost of education for one child. If two children are in college, the amount increases to 24 percent of family income.

To cite these facts is not to contend that these middle-income families should be relieved of responsibility for paying the costs of higher education for their children. It is rather to suggest that this heavy concentration of expenses should be spread out over more than the 4 years of college through the "loan of convenience" described in part B of title IV. Helping the middle-income student and his family to bear the heavy brunt of college costs would seem to have a reasonable claim on a share of our national commitment to offer every child the fullest possible educational opportunity.

The program proposed should make long-term credit for educational purposes available to every qualified college student in the Nation. It—

1. Makes it possible for banks and other commercial sources of credit to make large amounts of credit available to students while at the same time exercising prudence in safeguarding funds entrusted to them. This is secured by the establishment of reserve funds to provide adequate loan insurance.

2. Offers maximum encouragement and assistance to States to establish State loan insurance programs, and if a State is unable to do this offers similar assistance to nonprofit institutions and organizations.

3. Provides guarantees for loans up to \$1,000 annually for undergraduate students and \$1,500 for students who have completed undergraduate training or its equivalent and are pursuing graduate or professional studies, with the aggregate loans not to exceed \$5,000 for undergraduate students and \$7,500 for graduate and professional students.

4. Provides that the Federal Government pay the total amount of interest on loans to qualified students (those whose family income is less than an adjusted \$15,000) while they are pursuing a course of study and 3 percentage points of the interest thereafter.

5. Establishes a minimum annual repayment of not less than \$360 but permits the repayment period to extend for as long as 10 years for loans which exceed \$3,600.

6. Provides that students whose family incomes exceed an adjusted \$15,000 may take advantage of the guaranteed loan but must assume all interest payments.

The committee believes this program provides a final line of financial defense for families and students from all levels of income. The student in great need who is receiving a scholarship, a national defense student loan, and a job under work-study has this additional financial storm cellar available if emergencies arise. If he must give up a job for a time, if catastrophic illnesses occur in the family, this extra source of aid can enable him to continue without loss of his year of schooling. A family of midlevel income can utilize this source of assistance to survive similar mishaps without crippling interruption of the family life. The most essential feature is that in emergencies this credit resource can be depended on, a condition not usually known by low- and middle-income families.

Background

During the course of hearings, the Subcommittee on Education heard testimony from witnesses representing colleges and State and private loan insurance programs, who expressed concern that the further development and growth of State and private programs not be stultified by the entrance of a Federal program on the scene. The committee strongly feels that nothing should be done by the Federal Government to disturb or threaten State and private arrangements for insuring loans to students. The success of any insured loan program must depend in great measure upon the good will and co-operation of the private lending institutions who will make the loans—irrespective of whether the insurer be a private, a State, or a Federal agency. These loans are made at no profit to the lenders. The program contained in the bill as reported by the committee was carefully worked out with representatives of the leading private student loan insurance agency—United Student Aid Funds, Inc.—and the American Bankers Association, together with representatives of the administration, in accordance with the conviction of all members of the committee that mutual understanding between the Federal Government, the State, and private nonprofit loan insurance agencies, and the lending institutions is absolutely essential to the success of this program.

As a result of these discussions, several amendments were agreed upon and submitted to the committee. The principal points of the revised language are based on the following considerations.

It is important that there be available a loan insurance program to cover loans made by lending institutions to every student at every institution of higher education. As long as all students at all institutions of higher education have access to comprehensive State or private nonprofit programs of loan insurance, the committee has no wish to establish a Federal loan insurance program as an active competitor in the field. Accordingly, in the expectation that State and private nonprofit programs will meet all needs in this area, the committee bill places the Federal program on a standby basis. Further, in order to assist State and private nonprofit programs, the bill provides that Federal assistance will be extended in the form of

monetary advances to State and private nonprofit programs. These advances are intended to assist States in establishing new State loan insurance programs. They are also designed to strengthen existing programs, private nonprofit as well as State.

The legislation spells out the requirements which State and private nonprofit plans must meet in order that the Federal program be kept on a standby basis. It is the hope of the committee that no situation will arise under which it would be necessary to put the Federal program actively into operation. We believe that together State and private nonprofit programs can provide reasonable access to loan insurance for every institution of higher education in every State of the Nation.

The interest subsidy which the committee-reported bill authorizes on behalf of borrowers receiving loans under State programs or private loan insurance programs would, for a 2-year transitional period, also be made available in the case of loans insured under State and private plans which do not meet the requirements set forth in the legislation as to the terms for insuring loans. While plans not meeting Federal requirements would not keep the Federal program from operating and would not be eligible for advances to their funds until they meet the statutory requirements set forth in the bill, a reasonable transitional period should be afforded existing insured loan programs to give them time to adjust to the requirement.

The bill authorizes the insured loan program for a 3-year period, and during this period the Committee on Labor and Public Welfare will follow the implementation of the program and consider any changes which may be needed.

Detailed explanation of how loan insurance program will work

The central objective of part B of title IV is to make loan insurance available to any college student who needs to borrow.

It is also the purpose of part B to encourage State and private nonprofit programs. Loan insurance will be furnished by such programs—to the exclusion of a Federal program where the Commissioner finds they are equipped to do an adequate job.

In the event such programs do not do the job the Federal insurance program would then come into operation, and would function to the extent State and private nonprofit programs fail to cover the field. The Federal Government would not directly insure student loans in any State where it is determined that every eligible institution has reasonable access to a State or private nonprofit program in that State which meets the standards set forth in the legislation.

It is the intent under part B that the Commissioners give all the cooperation and assistance he can to State and private nonprofit programs, so that these programs can, in fact, make loan insurance available to students in that State who wish to use it. This assistance would include appropriate monetary advances (provided in sec. 422) to State and private nonprofit programs. The bill authorizes monetary advances totaling \$17.5 million to State or private programs. This legislation does not require that any college make a deposit with State or nonprofit loan insurance programs.

Colleges should be encouraged to participate wherever they can, because better than anyone else the college can appreciate the requirements of its own students and the extent to which student borrowing can help meet those requirements.

Also, in view of the Federal advances, private nonprofit programs would be able to cover the loan needs of students at all eligible institutions in a State—those institutions which were participating in such programs prior to this legislation, as well as all others.

Should a situation develop where in any State, one or more eligible institutions do not have access to a loan insurance program, either State or private, the Commissioner would directly insure loans made to those students who do not have reasonable access to programs meeting the standards set out in the legislation.

In the event the Commissioner should activate the Federal insurance program in any State, he would deactivate that program whenever in his opinion, the State and private nonprofit efforts were able to meet all loan insurance demands in that State.

Under this legislation, in order that the Federal program would not become operative in a particular State, every eligible institution (as defined in the bill) must have reasonable access in that State to a State or private nonprofit program. The individual student would thereby have access to loan insurance through the institution he attends. If he does have this access, through his institution, then the Federal program would not come into operation.

Since one of the prime purposes of this legislation is to encourage the growth of State and private nonprofit programs, the Commissioner, in determining when an institution had reasonable access, would use his good offices wherever appropriate to assist State and private nonprofit programs to reach agreements with eligible institutions.

Before the beginning of any school year, the Commissioner would determine—

(a) Whether a State has a program adequate to cover all students; and

(b) If there is no State program, or a State program which does not cover everybody, then whether a private nonprofit program is equipped to fill the gap.

In answering these questions, the Commissioner would make certain that both State and private nonprofit programs had been given all appropriate support and cooperation, including the monetary advances under section 422. If, with or without these monetary advances, the Commissioner determined that they were covering everybody, then he would not issue Federal certificates of insurance.

In connection with his determination of whether these State or private nonprofit programs were able to cover the field in any State, the Commissioner would negotiate agreements with such programs under section 428(b). Under these agreements, the State or private nonprofit programs would meet the standards specified in that section.

The interest cost subsidy would be paid on behalf of the borrower irrespective of the guarantor's identify—Federal, State, or private. However, there would be a 2-year lag during which the non-Federal programs would have an opportunity to conform to Federal standards, and in this conforming period no borrower under any existing State program would be disqualified if he were otherwise eligible for the interest cost subsidy.

With respect to monetary advances under section 422, these could be made in a given State to both State and private nonprofit programs. Often these programs supplement one another as in Virginia where the State program now insures loans only to Virginia residents

at State-supported institutions, and the private nonprofit programs now offer their services (through the schools) to all others.

This program would make certain that adequate loan insurance is available to any college age student in any State—but this coverage would be achieved in several different ways:

(a) A State or private nonprofit program for that State might insure loans for residents of that State, regardless of where they go to college. Thus, as long as a student from such State attended an eligible institution (as defined in the bill), he would be covered. New York and Maryland are typical of this example, and Maryland operates its plan through the facilities of United Student Aid Fund, Inc.

(b) Other States (Virginia, for example) may have a plan which insures loans only for residents of that State attending State-supported schools within that State. Under such an arrangement, the private nonprofit plans would insure loans for:

- (1) State residents attending out-of-State schools;
- (2) Out-of-State residents attending State-supported schools within that State;
- (3) All students, residents of that State and otherwise, who attend schools within the State which are not supported by the State.

Under arrangements like those set out above, or any other combination of arrangements, the private nonprofit programs under this legislation would fill any gap in the coverage of a State program. Typically, States will insure loans only for their own residents (Michigan is currently an exception to this). Therefore, it is likely that in a great many States the Commissioner will have agreements with both State and private nonprofit programs. Under the legislation he would be authorized to make monetary advances to both. He would, of course, not make these advances in a manner to provide overlapping coverage for the same students.

PART C—COLLEGE WORK-STUDY PROGRAM EXTENSION AND AMENDMENTS

Amendments to the program

This section of the bill contains four important provisions for extending and improving the college work-study program which was enacted last year as part of the Economic Opportunity Act.

During consideration of the Economic Opportunity Act last year, great concern was expressed by members of the committee in placing the administration of the college work-study program in the Office of Economic Opportunity. There is proposed, therefore, a transfer of the responsibility for administration from the Office of Economic Opportunity to the Office of Education. This is desirable in view of the fact that work-study is a program designed to assist students in financing their college education. It was intended to supplement other types of student financial aid, such as National Defense Education Act loans and the undergraduate scholarship program. It is common, for example, that work-study provides \$500 of \$1,200 education costs—the rest being secured through other loans and scholarships. To insure the effective interaction of the Federal financial aid programs—most notably National Defense Education Act loans and college work-study—proper coordination is necessary.

The U.S. Office of Education has already established a Division of Student Financial Aid, within which the NDEA student loan program and the college work-study program are being closely coordinated.

In addition, this part of the bill broadens the work-study program by making all students needing aid eligible for participation. The original legislation limits eligibility to students from low-income families. Preference shall continue to be given to the children of low-income families, but the rigid limitation of the original bill severely handicapped many universities which have great numbers of students requiring assistance, yet few who are technically from low-income families. This amendment takes into account the fact that a good college education is, in many cases, so expensive that it is not only the very poor who must have financial assistance to afford it.

The success of the program during the spring and summer of 1965 is already well established. For example, a report from the University of Wisconsin contains some interesting sidelights:

Overall the students rated the opportunity of working directly with a professor or supervisor as the greatest asset of the program. The students felt personally important and the 'bigness' of the university has been left behind * * * While the students seemed quite pleased with the program, the employers were even more enthusiastic—both about the program and about the students * * * Best and most conscientious workers * * * It would be difficult to find a professional person who could handle the assignment as well * * * Results of his work will be published * * * We anticipate encouraging him to enter the State tax department.

In another sense, the program is succeeding. From East Tennessee State University in Johnson City, Tenn., where the work-study program has been used as a basis for recruiting students from rural mountain sections—

"We have admitted students from counties which have never before supplied entering freshmen. The key lies in financial support from the work-study program—these students understand working. We hope to have more than 400 students on the program in September."

The committee has added clarifying language to that portion of the statute dealing with the scope of employment for the institution itself as well as that carried on by arrangement between the college and a public or private nonprofit agency. The intent of this amendment is to make certain that student employment for the institution itself is not used to displace other full-time employees of the institution, nor to perform work which has been typically and normally done by full-time employees. At the same time, however, the committee wishes to make it abundantly clear that participating colleges should make every effort to develop purposeful and rewarding job experiences for students—at every skill level and in every area of college activity which lends itself to student assistance. The amending language is primarily intended to guide institutions in expansion of the program. Section 441(6) amends the work-study provisions pertaining to the non-Federal share of the payments to students participating in the work-study program. The amendment would permit institutions

of higher education to count any contributions to students in the form of services, tuition, room, board, and books (such as meal tickets, tuition waivers, and bookstore credit) as part of the non-Federal share.

Under the bill the authorization of funds for the work-study program is increased to \$129 million for fiscal year 1966. Three developments necessitate such an appropriation. As indicated above, the work-study program is broadened to make more students eligible for its benefits. Also as noted above, more institutions will participate in the program in 1965-66. First year enrollments in institutions of higher education continue to increase at a remarkable rate—the fall of 1965 is expected to see a record entering class. The \$129 million proposed for the program, when combined with 10 percent institutional matching funds and with that portion of the fiscal 1965 appropriation earmarked for summer programs, will give employment to approximately 300,000 students and provide them with average earnings of \$500 per year.

Section D—Amendment of NDEA

Six years of the operation of the national defense student loan program have now demonstrated the wisdom of this pioneering legislation. As an evidence of the growing and crucial significance of its contribution to higher education, less than \$600 million was loaned in the first 6 years the program has operated; but for 1966 more than \$220 million in new loans will be made to students. This comes from Federal funds, the matching funds of institutions and the steadily increasing revolving fund becoming available through the repayment of loans. Repayments are now being made in volume and will approach \$25 million in 1966.

From the experience of these 6 years, the committee is now able to propose expansions and developments which will continue the improvement of this program. The 88th Congress extended the opportunity to borrow to half-time students and to students in business and technical institutes and nursing programs. The proposed legislation extends this privilege of borrowing to students in training for other gainful occupations.

It is also now evident that minor changes in the terms governing the repayment of loans will, without any curtailment of the benefits of the original legislation, enable institutions to establish sounder collection procedures. These include the reduction of the time of the first repayment from 2 years to between 10 and 12 months after the student leaves school. It permits the charging of a small service charge amount for overdue payments, and the establishment of a minimum annual repayment of \$180. Finally, the committee recommends that assistance be provided to institutions by sharing the necessary costs of administering the program, including collection costs.

The lesser of one-half of the cost incurred by the institution in administering the program or 1 percent of the aggregate of outstanding loans will be provided to each institution. Reports and requests from institutions throughout the Nation make it certain that these changes will be welcomed.

A very significant addition is the provision to forgive 15 percent per year of national defense student loans for teachers who teach in

elementary or secondary schools which have been determined by the Commissioner of Education to be hardship schools. No more than 25 percent of the schools in any one State may be classified as hardship schools. Teachers who will assume such a responsibility for 7 years will thus clear all of their obligation to the national defense student loan program. The committee hopes that this will be a major device to attract into these most difficult yet challenging teaching situations many of our most vigorous and well-trained teachers. This provision will become effective for service performed after the passage of this act regardless of whether or not the loan was made before or after such enactment.

The committee has added economics to title III and title XI of NDEA. There is ample evidence indicating the need for program support in this subject as well as the subjects presently contained in the law. Further, civics and industrial arts have been added to title XI. Qualified teachers are needed to improve instruction in these subjects. The committee is convinced that these expansions are in line with the goal of providing financial assistance for all those subjects which are in need of support in the development of our society's resources.

Amendments affecting eligibility of schools to participate in student assistance programs

The committee has approved an amendment to the definition of "institution of higher education" in the National Defense Education Act to extend benefits to students in occupational fields for which postsecondary training may be available but for which nationally recognized accrediting agencies have not been designated by the U.S. Commissioner of Education. Where this is the case, schools will be eligible to participate if they meet the requirements set by an advisory committee appointed by the Commissioner pending the development of appropriate accrediting agencies.

Approximately 700,000 persons of college age (18 to 22) are enrolled in postsecondary but less than collegiate level schools. More than half of these are in business schools and schools of nursing, areas already covered by the NDEA student loan program. Assuming that there are 350,000 students in all other types of postsecondary schools, and since the amendment only applies to nonprofit schools, the provision will affect no more than 100,000 students now enrolled in such institutions. Of these 100,000 students, perhaps 10,000 to 15,000 students might be expected to be assisted by the amendment.

The number of students expected to be assisted may be further limited since the Commissioner would establish an advisory committee, composed of educators and other nongovernmental experts, only if there were no appropriate accrediting agencies in a given field, and only if schools in this field asked to have their programs evaluated so that students enrolled in them might receive student financial aid.

The bill would make the same amendment to the definition of institution of higher education in the college work-study program and the new insured loan program.

TITLE V—TEACHER PROGRAMS

Title V is concerned in its four parts with the backbone of American education, the classroom teachers, and those who assist them in their dedicated work. Title V additionally is designed to improve the service given by teachers through assuring additional routes whereby teacher preparation may be strengthened. The four parts of this title can be considered as complementary provisions to achieve the desired end.

PART A—GENERAL PROVISIONS

Part A of title V establishes in the Office of Education an Advisory Council on Teacher Preparation. The function of the Council is to review the effectiveness of programs for their effectiveness in attracting, preparing, and retaining highly qualified elementary and secondary school teachers. Its recommendations, it is the hope of the committee, will provide most useful guidelines for further legislation needed in this area.

PART B—NATIONAL TEACHER CORPS

The concept of a National Teacher Corps was adopted by this committee in its realization of the crucial importance of the teacher in the life of a child. The National Teacher Corps is aimed at the reallocation of talent in the teaching profession to assist urban and rural areas that are marked by concentrations of low income families and to attract into the teaching profession and to service in such areas the most able and dedicated young people graduating from our Nation's institutions of higher education. The committee is of the belief that the placing of experienced teachers and teaching teams in schools with high concentrations of low-income families will be most beneficial to the children of such schools, to the teachers themselves, and will provide a unique training opportunity for future teachers of the disadvantaged.

That both the experienced teacher and the teaching teams can be effective and successful has been amply demonstrated in testimony before the committee on the Cardozo High School project in urban teaching and the Prince Edward County (Virginia) project. In the Cardozo project intern teams of returned Peace Corps volunteers taught part time while taking teacher training seminars in the school, and additional academic work at the local university. In Prince Edward County, Va., 100 public school teachers were recruited from all across the Nation in a period of 3 weeks to provide free schooling to the affected children affected by the closing of local schools. The success of these projects as testified to before this committee leaves little doubt that the concepts involved are sound and can be put into practice on a broad scale.

It is the intention of the committee that the Office of Education carry out a recruiting program for teachers to attract qualified teacher and college graduates for the National Teacher Corps. The Office of Education, in effect, will be the clearinghouse for those who wish to enroll in the Corps, for local school districts who wish to utilize Corps members and universities who wish to train them. Selection of Corps members will be done on the basis of criteria established by the Commissioner of Education. Actual screening

will be carried out by local universities selected to provide Teacher Corps training. Corps members should be assigned to any local school agency subject, of course, to the approval of the receiving local agency.

The bill provides for a Teacher Corps made up of two distinct but compatible elements: (a) Teacher intern teams made up of able college graduates who wish to serve for 2 years of teaching while receiving professional teacher training, and (b) experienced teachers who wish to serve outside of the team approach. The teams would be led by an experienced teacher. Both interns and experienced teacher would teach in schools eligible under the act that request them with time afforded them for a program of teacher training carried out under the direction of the experienced teacher and in close cooperation with an institution of higher education. Additional course work at the institution of higher education will, the committee hopes, lead to an advanced degree for the teacher interns by the end of their 2 years of service, and (c) the experienced teacher serving outside of the team approach will be one whose training and background qualifies him to be a member of the Corps and who wishes to take leave of his present teaching assignment for a period of not more than 2 years to serve in a school district requesting his services as a teacher.

The language of the bill is written so as to allow the Commissioner of Education a maximum degree of flexibility in making arrangements at the State and local level for the Teacher Corps teachers and teams. It is the intent of the committee initiative and variation in local programs be encouraged. Recognizing that neither State or local educational agencies nor institutions of higher education acting independently can effectively prepare teachers for the disadvantaged, it is the intent of this bill to promote close cooperation between these institutions in carrying out the training aspects of the Teacher Corps.

The bill provides for up to 3 months of training and orientation for all members of the Teacher Corps. Orientation programs for the experienced teachers and training programs for the members of teaching teams should include not only teacher education subjects but also academic course work in the broad field of urban and rural poverty and acquaintance with community institutions seeking to deal with the problems of poverty.

Once the teaching teams and/or experienced teachers are assigned to and accepted by a local school district the language of the bill provides and it is the intention of the committee that that district will have complete control over the individual assignments of the teachers within the school system, transfers within the system, the subject matter to be taught by the members of the Corps, and the term and continuance of the Corps members within the school system. At the same time, the committee recognizes the importance of innovation and new techniques in dealing with the educational problems of the disadvantaged and it is the committee's assumption that the local school districts applying for Teacher Corps members will be willing to innovate and utilize the experience that these teachers bring with them. It is for this reason that the committee has made plain in the legislation its intention that members of the Teacher Corps will only supplement, and not substitute for, the educational staffing efforts of the local school districts.

The bill has provisions on compensation, fringe benefits, and protection of the rights of Teacher Corps members. The rate of pay of experienced teachers leading intern teams is left to agreement between the Commissioner and the local educational agency. It is the intent of the committee that such leader be paid at a rate similar to that of a teacher with similar experience and training in the school in which he is teaching, plus an additional amount commensurate with his additional responsibilities as a team leader.

In the allocation of Teacher Corps members and teams it is understood that preference will be given to those areas, urban and rural, having the greatest concentration of low-income families.

It is also the intention of the committee that both Teacher Corps teams and experienced teachers with the necessary training in special education will be recruited and made available for teaching in classes for the handicapped in public schools and in schools operated by the various States.

While the thrust of the Teacher Corps program is intended to be toward 2-year periods of service, the language of the bill is designed to make possible shorter periods of service for special remedial and other programs in which especially qualified experienced teachers could be utilized, for example, during the summer months.

In its version of the Teacher Corps proposal, the administration urged that the Teacher Corps be tied to the financial and administrative arrangements of title II of Public Law 874. It was the belief of the committee that to ask local schools in poverty areas to spend substantial amounts of their limited title II funds on a program designed in substantial part as a training program would be unfair, unrealistic, and would drastically curtail the promise of this program.

PART C—FELLOWSHIPS FOR TEACHERS

The purpose of this part is to provide opportunities for advanced training to two categories of individuals who plan to make teaching, and particularly classroom teaching, a lifetime career in our elementary, secondary, and postsecondary vocational schools.

It is also designed to provide advanced training in closely allied disciplines termed in the measure "ancillary" fields.

Under the provision of the title 4,500 fellowships could be awarded in the first fiscal year. This number would rise to 10,000 fellowships for the fiscal year 1967 and 15,000 fellowships for each of the 3 succeeding fiscal years. These fellowships are to be awarded by the Commissioner of Education to the following categories of individuals. Recent graduates would receive 40 percent of the fellowships, the remaining 60 percent of the fellowships would be awarded to experienced teachers. Twenty to twenty-five percent of the fellowships in each category would be given to individuals seeking training in the ancillary fields defined in the measure as library science, educational media, school social work, guidance and counseling, special education for handicapped children, vocational education, and support service activities in other fields having the purpose of assisting or improving elementary, secondary, or postsecondary vocational education.

Although the fellowships would be awarded by the Commissioner of Education he is empowered to receive nominations, in the case of recent graduates, from the college or university which granted the baccalaureate degree and, in the case of the experienced teacher, from

the school authorities, private or public, under whom the experienced teacher has taught.

The nomination of the experienced teacher would be accompanied, except as noted below, by an assurance from the nominating body that return rights to the system from which the fellow was nominated would be assured.

Stipends carried in the title for recent graduates parallel those afforded under title IV of the National Defense Education Act and are set by the measure, at \$2,000 the first year and \$2,200 the second year. For experienced teachers, since the committee was mindful of the obligations many of them have assumed, the stipend rate was set at \$4,800 per annum. In each category an additional sum of \$400 per dependent is authorized as well as necessary and reasonable travel costs. Each category of fellowships granted, however, carry a further sum of \$3,000 per annum as a cost of education allowance payable to the institution at which the graduate work is taken. This allowance is in lieu of any tuition charges which otherwise would have to be paid and is based on the premise that the needs of the potential fellows will require instructing of traditional approaches in both subject matter and graduate curricula areas. The committee views the proposed masters degree to be a professional degree rather than a research-oriented degree.

A special section of this title, section 526, permits up to 20 percent of the fellowships awarded to the experienced group to be given by the Commissioner to individuals who may have been displaced from their previous positions as a result of changes in school populations brought about by the enforcement or the carrying out of the purposes of the Civil Rights Act of 1964. In providing this program the committee was mindful of the testimony presented to it that less than 25 percent of our teaching profession in our elementary, secondary, and postsecondary school system now qualifies at the masters degree level. The committee in submitting this program for the approval of the Senate indicated in the language of the title its intent to the Commissioner of Education that he award the fellowships equitably throughout the Nation but that in so doing, he give preference to persons already serving or who intend to serve in elementary or secondary schools in low-income rural or metropolitan areas.

The committee further, while recognizing the need, particularly for the recent graduates, to receive such formal training as would qualify them for certificates under the various State laws, wishes to stress for those already certificated its hope that the advanced training would be taken by fellows in high quality substantive courses and it therefore expressly included this language in the statement of purpose.

The only limitation expressly contained in the measure may be found in section 529 which prescribes that no fellowship may be awarded under this authority for study at a school or department of divinity.

While this part is designed for the improvement of the classroom teachers' preparation for the important responsibilities which they bear, the committee recognizes also the desirability, particularly in connection with the displaced teacher category, of allowing discretionary authority to the Commissioner to award a certain number of the fellowships to professional employees who are in the supervisory category rather than the classroom teacher category. It is the hope

of the committee, however, that in exercising this discretion the Commissioner will make but sparing use of his authority.

Last fall there were 82,700 public elementary and secondary school teachers holding substandard certificates.

Added to the above need for qualified teachers is the added burden of supplying an estimated 34,000 additional qualified teachers this school year to meet the estimated demand created by the Elementary and Secondary Education Act of 1965.

PART D—GRANTS TO INSTITUTIONS OF HIGHER EDUCATION
FOR IMPROVED TEACHER EDUCATION

It is the feeling of the committee that the professional training offered to elementary and secondary schools has too often been lacking in substantive content. The emphasis which has been placed on the methods and techniques of teaching has left little room for courses in the subject areas which are to be taught. Further, too few teacher-training programs offer adequate opportunities to study in fields ancillary to teaching, such as guidance, school administration, and other support service activities. The result of the over-professionalizing of the training of educators has been a gradual separation of education majors from the arts and sciences.

The committee assumes that the recipients of the fellowships under part C will elect to participate in high-quality programs. However, there are too few such programs. Experience with the national defense fellowship program has shown that, of approximately 600 institutions offering master's degrees in education, less than 200 offer programs with quality which is approvable for participation in the national defense fellowship program. If the quality of elementary and secondary education in the Nation is to be improved, the quality of education offered to elementary and secondary school teachers must be improved.

This part authorizes the Commissioner of Education to make grants to and contracts with institutions of higher education for the purpose of assisting in the development and strengthening high-quality programs for the training of personnel for elementary, secondary, and post-secondary vocational education over a wider geographical area. The grants or contracts will pay part of the cost of developing or strengthening graduate programs which: will substantially further the objective of improving the quality of education of persons pursuing or intending to pursue a career in education; give major emphasis to high-quality substantive courses; is of high quality and either is in effect or will be attainable as a result of assistance received from the grant; and is designed and reserved for only persons demonstrating serious intent to pursue or to continue to pursue a career in elementary, secondary, or postsecondary vocational education.

Certainly one of the concomitants of the imaginative and innovative programs envisaged under Public Law 89-10 should be the training of professional personnel who are equipped to perform the new kinds of functions that schools and children will require. In many cases, however, this will mean not only the upgrading of existing programs as they are now conducted, but the actual development of new kinds of professional programs designed to train and educate new kinds of professional personnel.

For example, many of the activities planned under title I of Public Law 89-10 will require specially qualified personnel to perform a variety of remedial or preventive functions. Similarly, many of the supplementary services that could be supported under title III of the same act will require professional personnel with specialized training in such areas as teaching the highly talented or the handicapped, testing, educational innovations based on research, the arts and humanities, and so on. As these kinds of programs expand so will the demand for people to staff them. The demand can in part be met by the improvement, expansion, and development of new kinds of graduate and undergraduate programs supported under this part of title V.

By authorizing the direct support of such programs, colleges and universities will be able to meet the added responsibilities placed upon them by the changing needs of the schools and the demands newly created by recent legislation.

It is the intent of this committee that grants under this part will be made to institutions which are making an effort to improve the quality of teacher training which they are now offering by expanding and improving the subject area offerings and to institutions which now have liberal arts and science programs in order to assist them in establishing programs which will make it possible for their graduates to be certified as elementary and secondary school teachers.

Grants for developing or strengthening graduate programs should be concentrated in institutions which do not now offer high-quality graduate programs in the field of education but which do offer high-quality graduate programs in liberal arts and science and which could offer high-quality graduate programs for elementary and secondary education if the assistance is given.

The committee believes that when grants are given for developing or strengthening undergraduate programs that special consideration should be given to institutions which have been teachers' colleges and which are making an effort to develop strong liberal arts programs and programs in fields ancillary to education. At the same time the great universities which provide the bulk of training given to potential teachers may, in many instances be able, if given a small stimulation grant, to provide an even better preparation to those it qualifies to teach in our school systems.

Since the primary purpose of this part is to obtain an appropriate geographical distribution of high-quality programs, priority should be given to colleges and universities in areas in which such programs are lacking. It is anticipated that in no case will more than one institution in any State receive assistance in one year. In no case should grants be made to expand enrollment capacity of institutions already offering high-quality programs.

It is the intent of this committee that the funds under this part not be distributed in such small amounts that substantial improvement cannot be attained in the first year after the grant. The committee intends the grants to be used to noticeably improve programs which in turn may be of special interest to recipients of fellowships under part C.

The grants under this part are to pay part of the cost. The committee felt that the Commissioner should be given considerable latitude on the amount of the grant and the Federal share of the cost. However, the constant improvement of teacher training programs

is an obligation of the institution to the public; therefore, initial effort and increased continued effort by the institution must precede and accompany any Federal assistance under this part. Only in very unusual circumstances where it is in the interest of the region concerned and of the Nation as a whole should the Federal contribution be more than two-thirds of the cost of the program.

The committee did not want to place firm limitations on the manner in which the grants are used to develop and strengthen programs. The needs of each institution must be evaluated individually. However, it is anticipated that most of the funds will be used to hire highly qualified personnel.

Although there is no question about the constitutionality of grants to or contracts with church-related institutions for the purpose of strengthening and improving teachers' training programs, in no case should Federal funds be granted to a college which is designed primarily for the purpose of training persons for the propagation of religious beliefs or which includes training for a religious vocation in its teacher training program.

The committee has noted that there has been a tendency in recent years for college teachers to devote less time to classroom instruction and to personal counseling of students than previously, factors which have become more evident as institutions of higher education have become larger and more impersonal. While recognizing the importance of research—which this committee itself has encouraged in other legislation—we nevertheless are hopeful that this act will serve to encourage the expert and the teacher to devote more time to the classroom and the student. We look to an equitable balance between research and teaching and between the outside lecture platform or publishing house and the classroom.

TITLE VI—FINANCIAL ASSISTANCE FOR THE IMPROVEMENT OF UNDERGRADUATE INSTRUCTION

A title VI has been added to the bill by the committee. This title deals directly and specifically with improving the quality of instruction in our college classrooms. It helps meet what the President has described, in his initial education message, as one of the most pressing needs in creating an adequate educational system: "techniques of instructions that are modern."

The bill as introduced did not deal, in exact terms, with this most important problem. However, the committee heard testimony from informed educators which revealed that, although in the past Congress has enacted various programs providing substantial sums of money to build college classrooms and facilities and to aid individual students, the questions of quality and excellence in college teaching techniques themselves and the adequacy of college materials and equipment to permit such quality instructions have been left unattended. This has been a particularly serious problem in small schools which have inadequate budgets to purchase modern teaching materials.

This title is aimed at those colleges and universities—both public and private—which are trying to improve themselves but which, because of lack of financial resources, are unable to participate in the educational revolution which is being brought about through the use of the new techniques for learning.

Our more affluent colleges and universities have found ways of increasing the quality and quantity of their educational offerings through the use of such things as closed circuit television, films and filmstrips, modern science, language and listening laboratories, and self-instructional laboratories. In the process, these institutions have found it possible to free teachers from the more mechanical aspects of imparting information, and to make possible more effective teacher-student relationships. However, these opportunities have been denied to many small and less well-financed institutions.

Moreover, title III of the National Defense Education Act of 1958 has had a most salutary effect on the use of new instructional media in the elementary and secondary schools. However, it has created an imbalance in our educational system. Today's college freshmen were sixth graders when the NDEA became law. Because of NDEA, many of them have graduated from high schools that are relatively well equipped with these new teaching devices and materials. But today, these students often find themselves in colleges that have not benefited from similar legislation. Thus, many of today's college freshmen face a regression in instruction, instructional media, and instructional techniques.

Another significant aspect of this imbalance was also pointed out in testimony before our subcommittee. For 7 years our colleges have been training teachers for positions in schools whose instructional programs have been improved with NDEA funds. But, in most cases these colleges themselves have been providing instruction by the use of instructional techniques that have changed very little since long before 1958—and teachers tend to teach not as they were taught to teach, but as they were taught.

Clearly, there are vast added responsibilities facing all institutions of higher education. College enrollments in this country have increased from 2.4 million students 10 years ago to 4.8 million in 1964, and by 1973 there will be an estimated 8 million students in institutions of higher education. Numerical expansion has spread the limited materials and equipment to the point where the quality of educational content has suffered severely. Recent and rapid advances in our knowledge of science threaten to render many existing teaching materials and equipment obsolete.

As noted, this "quality gap" is occurring, ironically, at a time of significant breakthrough in the development of new techniques of instruction. The use of the audiovisual materials, closed circuit television, and other teaching aids has been shown to aid the teacher greatly in instructing students in a meaningful fashion.

Further, we have seen that the availability of adequate laboratory and other equipment in our classrooms can transform an otherwise abstract subject into interesting and beneficial learning experiences. These new media of instruction can enhance the effectiveness of a teacher and give him more time to devote to his students.

To meet these needs, title VI has been added to S. 600 to improve the quality of college classroom instruction in selected subject areas.

The title is divided into two parts.

PART A—EQUIPMENT GRANTS

Part A authorizes the Commissioner of Education to make matching grants to institutions of higher education for the acquisition of labora-

tory and other special equipment, including audiovisual materials and equipment for classrooms or audiovisual centers, and of printed and published materials—other than textbooks—for classrooms or libraries. Such equipment and materials are to be suitable for providing education at the undergraduate level in the following subjects:

Science	Government
Mathematics	Education
Foreign languages	The arts
History	English
Geography	Other humanities

Equipment and materials to be acquired under this program are generally similar to those now being acquired under title III of the National Defense Education Act as amended. They would include equipment for science, language, mathematics, and other laboratories; audio visual equipment, such as projectors, screens, recorders, and the like; specialized equipment for audiovisual centers; and audiovisual materials, including films, filmstrips, transparencies, slides, tape and disk recordings, and other materials now existing or to be developed. Necessary minor remodeling of classroom or other space is authorized.

It is specifically not the intention of this title to provide funds for basic scientific research, for graduate studies, or for advanced professional research. The purchase of electronic computers would not be authorized. Nor would television equipment be included under section 601(b) since it is provided for separately in section 601(c). Printed and published instructional materials, such as maps, charts, encyclopedias, and similar materials (other than textbooks) would be included. The printed and published materials to be provided here are to be specialized materials for classroom instructional purposes, although they may be housed in the library or instructional materials center of the institution. This title will also permit the acquisition of materials to be used in education courses for demonstration purposes.

Expenditures authorized for the acquisition of this equipment would be \$35 million for the fiscal year ending June 30, 1966; \$50 million for the year ending June 30, 1967; and \$60 million for each of the 3 following fiscal years.

This part also authorizes matching funds for the acquisition of closed-circuit television equipment for use in instruction in the above subject fields. These funds can be used for necessary engineering studies, equipment acquisition, and acquisition (including purchase, lease, or rental) of instructional materials for use on such equipment, and minor remodeling necessary for such television equipment. Equipment would include that which is designed for fixed-service instructional television, as defined by the Federal Communications Commission, but it would not include regular broadcast television equipment.

The expenditures authorized for such closed-circuit TV equipment and materials would be \$2.5 million for the fiscal year ending June 30, 1966, and \$10 million for the fiscal year ending June 30, 1967, and for each of the following 3 fiscal years.

The allotment formula is intended to reflect both the relative numbers of students enrolled in institutions of higher education in the various States and the relative per capita incomes in the various

States. There is a direct relationship between the number of students enrolled in institutions of higher education in a State and the size of the State's allotment. There is an inverse relationship between a State's relative per capita income and the size of the State's allotment.

Half of the funds appropriated for any fiscal year shall be allotted among the States so that the allotment to each State will be an amount which bears the same ratio to such one-half as the number of students enrolled in institutions of higher education in that State bears to the total number of students enrolled in such institutions in all the States.

The remaining one-half of the funds shall be allotted so that the amount of this one-half which each State receives shall be an amount which bears the same relationship to this one-half as the product of (a) the number of students enrolled in institutions of higher education in that State and (b) the State's allotment ratio bears to the sum of the corresponding products for all the States. The allotment ratio for any State shall be 1 less the product of (i) 0.50 and (ii) the quotient obtained by dividing the income per person for the State by the income per person for all the States (not including Puerto Rico, the Virgin Islands, American Samoa, and Guam), except that the allotment ratio shall in no case be less than $0.33\frac{1}{3}\%$ or more than 0.66% . This second part of the formula is the same as that of title I of Public Law 88-204.

Administration of part A at the State level would be by State commissions, presumably by the same agency which administers the Higher Education Facilities Act at the State level, but it can be another agency. Federal grants will normally be available on a 50-50 matching basis. However, in order to permit institutions of limited means to participate, a State commission may increase the Federal share up to 80 percent of such cost for a particular institution proving need. This will give the States the means to plan their programs of higher education with sufficient flexibility so that they can encourage developing institutions, placing emphasis on excellence, quality of classroom instruction, and strengthening of substance in specific subject areas. The purpose of assigning administration to a State agency is to authorize and encourage long-range State plans for the development and coordination of activity in these areas.

The sum of \$1 million per year is authorized for the fiscal year ending June 30, 1966, and for each of the 4 succeeding fiscal years, for the purpose of assisting the States in financing expenditures incurred in the proper and efficient administration of the State plans.

PART B—FACULTY DEVELOPMENT PROGRAMS

Part B of this title authorizes the Commissioner of Education to arrange, by means of grants or contracts, for institutions of higher education to operate short-term workshops, or short-term or regular session institutes for individuals who are engaged in, or are preparing to engage in, the use of educational media equipment in teaching in institutions of higher education, or who are, or are preparing to be, specialists in educational media in higher education, or librarians or other specialists using such media in institutions of higher education.

This part would provide for workshops and institutes to train faculty personnel, educational media specialists, librarians, and others, in the utilization of the new educational media for the improvement of instruction. Activities conducted under this part might

include workshops of only a few days' duration, or short-term or regular session institutes.

An authorization of \$5 million would be provided for the fiscal year ending June 30, 1966, and for each of the 4 following fiscal years, to carry out the provisions of this part.

TITLE VII—AMENDMENTS TO HIGHER EDUCATION FACILITIES ACT OF 1963

Accomplishments under the Higher Education Facilities Act of 1963

Funds for the implementation of the Higher Education Facilities Act of 1963 were first appropriated for fiscal year 1965. During the year program regulations and procedures were defined; staff was assembled in Washington and the nine regional headquarters; and contractual arrangements were negotiated with the Community Facilities Administration for engineering reviews and administration of construction. Of the \$463 million appropriated for the year about \$400 million will be allocated to institutions. This will make possible construction which, in view of the matching, non-Federal funds involved, may well exceed a half billion dollars in value.

Under title I of the act broadly representative higher education commissions to formulate and administer State plans were formed in 50 States and 5 territories. Fifty-three plans were submitted and approved by the Commissioner of Education. Grant agreements were executed for all of the 516 projects submitted to the Office under these plans on behalf of 451 institutions during the year. Under these agreements \$224.4 million were obligated out of \$230 million appropriated under this title. Of these funds \$47.4 million are obligated to public community colleges and public technical institutes and \$177 million to colleges and universities offering a 4-year course of study.

Eighty-five grants for graduate academic facilities under title II of the act were approved by the Commissioner during the year. These were approved on the recommendation to the Advisory Committee established by the act after site visits of the projects proposed. These grants amounted to \$60 million, the full amount appropriated for the year under this title. Grants were made for the following types of facilities: Libraries (41.47 percent), social sciences and related areas (22.59 percent), physical and earth sciences and mathematics (18.35 percent), engineering and environmental fields (8.41 percent), humanities and fine arts (5.25 percent), life sciences and agriculture (3.43 percent). Grants range in size from \$25,000 to \$3,303,940.

Under title III of the act a Federal loan program of an entirely new kind was launched; under it colleges and universities could for the first time borrow for the construction of facilities which do not produce revenue. During the year 133 loans amounting to \$107.7 million were approved, of which 122 are to private colleges and universities. A total of 143 loan applications from 127 institutions were received and reviewed—the great majority of them in the last half of the fiscal year.

Broadening the scope of eligibility for undergraduate facility construction

Title I of the Higher Education Facilities Act of 1963 restricts the use of grants for undergraduate facilities to facilities designed for use in the fields of science, mathematics, modern foreign languages,

engineering, or for use as library. The bill reported by the committee would broaden the scope of eligibility for projects which may be assisted under title I by eliminating the above-mentioned categorical restrictions. In addition, the requirement that the construction of a facility assisted under title I must result in creating or expanding urgently needed enrollment capacity would be amended to permit creation or expansion of the institution's capacity to carry out extension and continuing education programs to qualify as an alternative basis for assistance under the title. The bill would not change the definition of "academic facilities," which excludes facilities intended primarily for events for which admission is charged, facilities for athletic or recreational activities when not a part of the academic program, facilities for sectarian classroom instruction or worship, and facilities connected with a divinity school.

Increased appropriations authorization for title I of the Higher Education Facilities Act

In broadening the scope of eligibility for grants under title I of the Higher Education Facilities Act of 1963, and particularly in view of the stimulus which this bill provides for new and expanded extension and continuing education centers, the committee considers it reasonable to increase the appropriations authorization for fiscal year 1966 by an additional \$100 million, making a total authorization under title I for fiscal year 1966 of \$330 million.

Increased appropriations authorization for title II of the Higher Education Facilities Act

The committee has also recommended a doubling of the authorizations for title II of the Higher Education Facilities Act. This will result in providing \$120 million in fiscal year 1966 for the program of grants for the construction of graduate academic facilities.

The status of the program as of May 14, 1965, can be summarized as follows:

A. Federal funds granted in 23 approved applications.....	\$21, 220, 434
B. Federal funds requested in 89 applications on hand.....	60, 832, 445
C. Federal funds requested in 42 applications in preparation.....	33, 137, 332

Total Federal funds granted and requested.....	116, 323, 019
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In summary, 124 applications had been received by the Office of Education and 76 applications were in preparation, with a total development cost of \$490 million, the Federal share of which would be \$116 million.

Under title II and title III of the Higher Education Act of 1965 assistance is provided for institutional cooperative programs primarily at the undergraduate level. In doubling the authorization for title II of the Higher Education Facilities Act, under which grants may be provided for the construction of cooperative graduate centers, the committee wishes to encourage a more extensive development of cooperative arrangements at the graduate level.

Transfer of allotments for public community colleges and technical institutes to other public institutions of higher education

Under section 102 of the Higher Education Facilities Act, 22 percent of the sums appropriated for grants for undergraduate academic facilities under title I is reserved exclusively for construction of facilities for public community colleges and public technical institutes.

The bill would amend the act to provide that a State's allotment for the construction of facilities for public community colleges and public technical institutes may be used instead for the construction of academic facilities for other kinds of institutions of higher education at the request of the Governor of the State. The purpose of the amendment is to avoid penalizing very sparsely populated States in which there are no public community colleges or public technical institutes and the need is to strengthen and broaden education offered in established institutions of higher education.

Since Congress required in the Higher Education Facilities Act of 1963 that the purposes set forth under section 103 of the act be carried out by public institutions, the committee feels that the availability of section 103 funds to 4-year institutions for the construction of academic facilities should be limited to 4-year institutions which are under public supervision and control.

Transfer of allotments for other institutions of higher education to public community colleges and technical institutes

The Higher Education Facilities Act would further be amended to make allotments under section 104 available for the payment of the Federal share under section 103 of the cost of constructing academic facilities for public community colleges and public technical institutions. While the amendment described above would provide for making allotments under section 103 available under certain conditions for the benefit of institutions for which provision is made under section 104 of the act, flexibility should, conversely, be provided to make allotments under section 104 available for the benefit of institutions for which section 103 provides. This additional flexibility is especially needed for American Samoa, Guam, and the Virgin Islands since these territories have no institutions of higher education other than public community colleges and public technical institutions. Guam and the Virgin Islands each has only one institution at the present time, in both cases a public community college, and in these cases there is a greater need, and it is more economical, to improve the existing institutions than to establish new ones. The fiscal year 1965 allotments for Guam and the Virgin Islands are comparatively small and are heavily weighted in favor of a kind of institution which does not exist and is not needed, thus:

	Sec. 103	Sec. 104
Guam.....	\$19,049	\$50,215
Virgin Islands.....	8,724	14,669

Public community colleges and technical institutes

Under title I of the Higher Education Facilities Act there is a variable matching requirement for Federal grants with respect to construction of facilities in 4-year institutions. That is, the State commission fixes the amount of the Federal share, which cannot exceed one-third of the cost of a project. However, in the case of public community colleges and public technical institutes the Federal share must equal 40 percent of the cost of a project.

The committee has observed that this inflexible provision has resulted in a use of Federal grants which is inconsistent with the objectives of the act. In order to insure that situations do not arise in

which an entire State's allotment is obligated to just one project, and to provide for greater flexibility in the distribution of grant funds for public community colleges and public technical institutes, the committee has recommended that the provision requiring a flat 40 percent be revised along the lines of the variable matching requirement provision for the 4-year institution segment of the program. Thus, the State commission will be provided with the flexibility to fix the amount of the Federal share which cannot exceed 40 percent for projects involving the construction of the public community college and public technical institutes.

Indefinite availability of sums appropriated under section 201

Section 201 of the Higher Education Facilities Act would be amended so that funds appropriated under this section shall remain available for reservation in fiscal years succeeding the fiscal year for which they were appropriated. At the present time appropriations for the establishment and improvement of graduate schools and cooperative graduate centers are, under the provisions of section 201, available for obligation only during the fiscal year for which the appropriation is made. As a consequence, campaigns to stimulate private and corporate contributions to make up non-Federal matching funds labor under a serious disadvantage. Such campaigns often require several years to reach their objective. It is not now possible for institutions, in soliciting contributions for very worthy but highly specialized projects, to expand graduate education to enjoy for more than a fraction of 1 year the fund-raising advantages of a durable obligation of Federal funds in the amount needed. The committee believes that the use of Federal funds under this title would be fairer, more effective, and result in a much more powerful stimulus to private and corporate giving with this amendment.

Two-year availability of title III funds

Section 303(c) of the Higher Education Facilities Act would be amended so that funds appropriated under that section shall remain available for reservation until the close of the fiscal year next succeeding the fiscal year for which they were appropriated. With this amendment, funds appropriated would be available for obligation under both titles I and III of the act on comparable terms. Applications for funds out of appropriations for fiscal year 1965 are being received at an accelerating rate. However, many institutions need additional time to develop sources of matching funds and also to secure enabling legislation to permit them to borrow for non-self-liquidating facilities. For both these reasons, the availability of funds for obligation for 2 years, rather than for the single year to which we are presently limited, would strengthen this program and augment the amount of non-Federal capital which could be mobilized under it.

Technical amendment to conform to Nurse Training Act

Clause E of section 401(a)(2) of the Higher Education Facilities Act would be amended so that the definition of schools of nursing established therein (by reference to sec. 724 of the Public Health Service Act) will conform to the definition set forth in section 843 of the Public Health Service Act as amended by the Nurse Training Act of 1964. Without such amendment, the former definition would remain more narrow than the latter and in consequence some kinds of schools of nursing, after June 30, 1965, have the option of applying

for financial assistance for the construction of facilities under the Higher Education Facilities Act of 1963. This would, however, be contrary to the intent of Congress in framing the Nurse Training Act of 1964, which was to concentrate programs of Federal financial assistance for the construction of facilities for the training of health personnel under legislation for that special purpose.

TITLE VIII—GENERAL PROVISIONS

Publication authority

The committee believes that it is essential for the Office of Education to be able to disseminate information regarding educational programs on an expeditious basis. The many responsibilities which the Congress has given the Office of Education in recent legislation, as well as the additional duties imposed by this bill, make it imperative that the Office have the means of supplying informational materials of high quality with a minimum of delay.

The establishment of a National Teacher Corps will require fast, high-quality printing of recruiting and other promotional materials. In recruiting members of the Corps and in distributing information to educational agencies around the country about this and other new programs, the Office of Education faces growing national interest in education. The committee believes that publications satisfying this public demand should be attractive and should be made available on a timely basis.

Since the Government Printing Office, with the heavy demands placed upon its resources, cannot always meet the need of the Office of Education for fast, quality printing jobs, the committee reported bill would provide the Commissioner of Education with the authority to contract commercially for the publication of educational and related information without regard to the statutory requirement that the Joint Committee on Printing first be notified (44 U.S.C. 111).

Similar authority for such waiver is now available to such agencies as the National Science Foundation (42 U.S.C. 1870(g)), Office of Economic Opportunity (42 U.S.C. 2942(m)), Peace Corps (22 U.S.C. 2514(a)), Aid for International Development (22 U.S.C. 2396(b)), and the Department of Interior's Bureau of Sport Fisheries and Wildlife in connection with the National Fisheries Center and Aquarium (16 U.S.C. 1052(b)(2)).

SECTION-BY-SECTION ANALYSIS

Section 1

This section provides that this act may be cited as the "Higher Education Act of 1965."

TITLE I—COLLEGE AND UNIVERSITY EXTENSION AND CONTINUING EDUCATION

Section 101. Appropriations authorized

This section authorizes the appropriation of \$25 million for making grants under this title for the first year of a 5-year program, and \$50 million for each of the last 4 years. The grants would be made by the Commissioner of Education to strengthen continuing education and extension methods and teaching, and the public service

resources, of colleges and universities so as to assist in the solution of community problems such as housing, poverty, government, recreation, employment, youth opportunities, transportation, health and land use.

Section 102. Allotments to States

Paragraph (1) of subsection (a) provides for the allotment among the States of 80 percent of the sums appropriated for each fiscal year pursuant to section 101. Guam, American Samoa, and the Virgin Islands are each allotted \$25,000, and the other States (including the District of Columbia) are each allotted \$100,000. The remainder of the 80 percent of the appropriation is allotted among the States in proportion to their population.

Paragraph (2) of subsection (a) provides that the Commissioner shall reserve 20 percent of the sums appropriated for each fiscal year pursuant to section 101 for grants and contracts for experimental projects and for supplemental grants pursuant to section 106.

Subsection (b) provides for reallocation among the States of the unused portion of any State's allotment.

Subsection (c) permits States to combine their allotments.

Subsection (d) provides that the Commissioner shall determine the population of States on the basis of the most recent satisfactory data available from the Department of Commerce.

Section 103. Uses of allotted funds

A State's allotment may be used in accordance with its State plan to provide new, expanded, or improved extension and continuing education programs designed to assist in the solution of rural and urban community problems.

Section 104. State plan

In order for a State to receive its allotment it must either (1) designate an agency qualified to solve community problems which is broadly representative of institutions of higher education competent to offer community service programs in the State or (2) designate an agency which does not meet all of these qualifications but which is required to consult with an advisory council in the State which meets the qualifications which the agency lacks. The agency must submit a State plan which sets forth a comprehensive, coordinated, and state-wide system of extension and continuing education programs (administered by or under the agency) for which funds allotted to the State will be spent. The plan must provide for allocating Federal funds to institutions of higher education according to each institution's capacity and willingness to provide extension and continuing education programs, the need for such programs in the State, and the results of periodic evaluations of need for, and effectiveness in carrying out of, such programs within the State. The plan must assure that Federal funds will supplement and to the extent practicable increase funds otherwise available for community service programs, and must provide for certain reports and accounting procedures. The Commissioner of Education is directed to approve any plan meeting the requirements of this section.

Section 105. Payments

This section provides that payments from a State's allotment will be made to the State agency to carry out the State plan. The Fed-

eral share of the cost of carrying out the State plan will equal 75 percent in the fiscal years ending in 1966 and 1967, and 50 percent in each of the 3 succeeding years. This section also prescribes the manner of payment and certain limitations on the extent to which funds under this title will be available to pay administrative costs and costs with respect to which payments have been received under other Federal programs.

Section 106. Experimental approaches and supplemental grants

This section provides that the Commissioner shall use 20 percent of the sums appropriated for each year pursuant to section 101 to make grants to and contracts with institutions of higher education to pay part of the cost of experimental approaches to extension and continuing education related to the solution of community problems, or to augment grants awarded under this title from funds allotted under section 103.

Section 107. Administration of State plan

This section requires a hearing before the Commissioner of Education before he finally disapproves a State plan and before he determines a State has become ineligible to participate further under this title. A State with an approved plan may become ineligible if its plan is so changed or administered that the plan or its administration does not comply with the requirements of section 105.

Section 108. Judicial review

A State dissatisfied with the Commissioner's action in disapproving its plan or in determining that the State is ineligible to participate further under this title may obtain review of such action by a United States court of appeals.

Section 109. National Advisory Council on Extension and Continuing Education

This section directs the President to establish a National Advisory Council on Extension and Continuing Education to advise the Commissioner on the preparation of general regulations and on policy matters arising in the administration of this title, including the approval of State plans and the approval of projects and activities under section 106. The Council would also advise the Commissioner with respect to policies designed to eliminate duplication and to coordinate the programs under this title with other extension and continuing education programs, and it would review the administration and effectiveness of all such programs. The Council would consist of the Commissioner, at least 8 persons representing Federal agencies having extension and continuing education responsibilities, and at least 12 members appointed by the President.

Section 110. Relationship to other extension programs

This section states that title I does not modify authorities under certain other Federal extension and vocational education programs.

Section 111. Limitation

This section provides that no grant may be made under this title for any education activities and services related to sectarian instruction or religious worship, or provided by a school or department of divinity.

TITLE II—COLLEGE LIBRARY ASSISTANCE AND LIBRARY
TRAINING AND RESEARCH

PART A—COLLEGE LIBRARY RESOURCES

Section 201. Appropriations authorized

This section authorizes the appropriation of \$50 million for the fiscal year ending on June 30, 1966, and for each of the 4 succeeding fiscal years, to enable the Commissioner to make grants to institutions of higher education. The grants will be for the purpose of assisting and encouraging such institutions to acquire for library purposes books, periodicals, documents, magnetic tapes, phonograph records, audiovisual materials, and other related library materials (including whatever binding may be necessary).

Section 202. Basic grants

Under this section, the Commissioner may make basic grants (for the purposes set forth in sec. 201) to institutions of higher education and combinations of such institutions from 75 percent of the sums appropriated for any fiscal year pursuant to section 201. The maximum basic grant shall be \$5,000 for each institution and branch thereof which is located in a different community. Applications may be made by an individual institution or by a combination of institutions. A basic grant may only be made if the Commissioner approves the application therefor. Before approving an application, he must determine that it—

(a) Provides satisfactory assurance that during the fiscal year for which the grant is requested the applicant will spend, for all library purposes (except construction) and from funds other than funds received under the part, (1) an amount equal to not less than the annual average of the amounts it spent for such purposes during the 2-year period ending June 30, 1965, and (2) an amount from such other sources at least equal to the amount of such grant;

(b) Provides satisfactory assurance that the applicant will spend, for books, periodicals, documents, magnetic tapes, phonograph records, audiovisual materials, and other related materials, including whatever binding is necessary, from funds other than funds under the part, during the fiscal year for which the grant is requested, an amount at least equal to the average annual amount it spent for such materials during the 2-year period ending June 30, 1965;

(c) Provides for joint use of library facilities where feasible;

(d) Provides for necessary fiscal control and fund accounting procedures; and

(e) Provides for making reports needed by the Commissioner to carry out his functions under this section.

Section 203. Supplemental grants

Under subsection (a), the Commissioner is authorized to make supplemental grants for library resources to institutions of higher education and to combinations of such institutions. Supplemental grants would be made from whatever remains (after basic grants have been made) of the 75 percent of the sums appropriated for any fiscal year, plus any sums the Commissioner determines will not be needed for making grants under section 204. A supplemental grant shall

not exceed \$10 for each full-time student enrolled in each such institution (including the full-time equivalent of the number of part-time students). The number of full-time students and their equivalent shall be determined by the Commissioner for each institution in accordance with regulations to be promulgated by him. A supplemental grant may be made only upon application therefor. An application must be in such form and must contain such information as the Commissioner may require. The application shall—

(1) Meet the application requirements set forth in section 202 (except for the matching requirement in sec. 202(a)(2));

(2) Describe the size and quality of the applicant's library resources in relation to its present enrollment and to any expected increase in its enrollment;

(3) Set forth any special circumstances which are impeding, or which are expected to impede, the proper development of its library resources; and

(4) Explain how a supplemental grant would be used to improve the size or quality of its library resources.

Subsection (b) provides that the Commissioner shall approve applications for supplemental grants in accordance with basic criteria developed after consultation with an Advisory Council established under section 205 and prescribed in regulations. The criteria will be those that will tend to best achieve the objectives of part A. They may take into consideration such factors as the age and size of the library collection, student enrollment, and financial resources and endowment, and they would be required to give priority to needy institutions.

Section 204. Special purpose grants

Subsection (a) provides that 25 percent of the sums appropriated for part A for each fiscal year shall be used to make special grants. These special grants shall be made (a) to institutions of higher education which demonstrate a special need for additional library resources and which demonstrate that the additional resources will make a substantial contribution to the quality of their educational resources; (b) to institutions of higher education to meet special national or regional needs in the library and information sciences, including those in the physical and social science fields; and (c) to combinations of institutions of higher education which need special assistance in establishing and strengthening joint use facilities. Grants under this section, however, may only be used for books, periodicals, documents, magnetic tapes, phonograph records, audiovisual materials, and other related library materials (including necessary binding).

Subsection (b) provides that in order to obtain a special purpose grant for any year, an applicant would have to provide satisfactory assurance that it would expend during that year from other sources and for the same purposes for which the grant was made an amount equal to at least one-third of the amount of the grant, and that it would expend during that year for all library purposes (exclusive of construction) not less than the average annual amount it had expended for those purposes during the 2-year period which ended June 30, 1965.

Section 205. Advisory Council on College Library Resources

Under subsection (a), the Commissioner of Education must establish an Advisory Council on College Library Resources in the Office of Education. The Council will consist of the Commissioner, as chairman, and eight members appointed by the Commissioner with the approval of the Secretary and without regard to the civil service laws.

Subsection (b) provides that the Advisory Council will advise the Commissioner in establishing criteria for the making of supplemental grants under section 203 and special purpose grants under section 204. The Commissioner may appoint special advisory and technical experts and consultants who may be useful in carrying out the functions of the Council.

Under subsection (c), members of the Council, while serving on its business, will receive compensation at a rate to be fixed by the Secretary (but not to exceed \$100 per day, including travel time). While serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence.

Section 206. Accreditation requirement for purposes of this part

This section provides that, for the purposes of part A, if the Commissioner determines that there is satisfactory assurance that upon acquisition of the library resources with respect to which assistance under this part is sought, or upon acquisition of those resources and other library resources planned to be acquired within a reasonable time, an educational institution will meet the accrediting standards of a nationally recognized accrediting agency or association, the institution shall be deemed to have been accredited by such agency or association.

Section 207. Limitation

This section provides that no grant may be made by the Commissioner under part A for the acquisition of books, periodicals, documents, or other related materials to be used in sectarian instruction or religious worship, or primarily in connection with any part of the program of a school or department of divinity. For purpose of this section, the term "school or department of divinity" means an institution, or a department or branch of an institution, whose program is specifically for the education of students to prepare them to become ministers of religion or to enter upon some other specifically religious vocation, or to prepare them to teach theological subjects.

PART B—LIBRARY TRAINING AND RESEARCH

Section 221. Appropriation authorized

This section authorizes the appropriation of \$7.5 million for the fiscal year ending June 30, 1966, and \$15 million for each of the 4 succeeding fiscal years, for carrying out the purposes of part B.

Section 222. Definition of "librarianship"

For the purposes of part B, this section defines the term "librarianship" to mean the principles and practices of the library and information science (including acquisition, organization, storage, retrieval, and dissemination of information) and reference and research use of library and other information resources.

Section 223. Grants for training in librarianship

Subsection (a) authorizes the Commissioner to make grants to institutions of higher education to assist them in training persons in librarianship, including the training of specialists in the communication of information in the physical and social sciences. Grants made under this section may be used by such institutions to cover all or part of the cost of courses of training or study for such persons, and for establishing and maintaining fellowships or traineeships. Fellows and others undergoing training and their dependents will receive stipends (including allowances for traveling, subsistence, and other expenses) not in excess of such maximum amounts as may be prescribed by the Commissioner.

Subsection (b) provides that the Commissioner may make a grant under the section only upon application by an institution of higher education and only upon his finding that such program will substantially further the objective of increasing the opportunity, throughout the Nation, for training in librarianship.

Section 224. Research and demonstrations relating to libraries and the training of library personnel

Subsection (a) authorizes the Commissioner to make grants to institutions of higher education and other public or private nonprofit agencies, institutions, and organizations and to individuals, for research and demonstration projects relating to the improvement of libraries or of training in librarianship, and for the dissemination of information derived from such research and demonstrations. The Commissioner is also authorized to provide by contracts with public or private profit or nonprofit agencies, organizations, or institutions, or with individuals, for the conduct of such activities.

Subsection (b) authorizes the Commissioner to appoint special or technical advisory committees to advise him on matters of general policy concerning research and demonstration projects relating to the improvement of libraries and of training in librarianship.

Subsection (c) provides that the Commissioner shall appoint, from time to time, panels of experts competent to evaluate various types of research and demonstration projects under this section. The Commissioner shall obtain the advice and recommendations of such a panel before making a grant under this section.

Subsection (d) provides that members of any committee or panel appointed under this section who are not regular full-time employees of the United States shall be entitled to receive compensation at rates fixed by the Commissioner (but not to exceed \$100 per diem, including travel time) while serving on the business of such a committee or panel. They may, while serving away from their homes or regular places of business, also be allowed travel expenses (including per diem in lieu of subsistence).

PART C—CATALOGING OF LIBRARY MATERIALS

Section 241. Authorization

This section authorizes appropriations to enable the Commissioner of Education to transfer funds to the Librarian of Congress for the purpose of insuring that the Library acquires all library materials which are of value to scholarship and of providing and distributing catalog and bibliographic information. Authorized to be appropriated

for these purposes are \$5 million for fiscal year 1966, \$6.315 million for fiscal year 1967, and \$7.77 million for fiscal years 1968, 1969, and 1970

TITLE III—STRENGTHENING DEVELOPING INSTITUTIONS

Section 301. Statement of purpose and appropriations authorized

Subsection (a) states that the purpose of title III is to assist in raising the academic quality of colleges which have both the desire and the potential to make a substantial contribution to our national resources in higher education, but which because of a lack of finances (and for other reasons) are struggling to survive and are isolated from the main currents of academic life. Title III seeks to raise the academic quality of these colleges by enabling the Commissioner to establish a national teaching fellow program and to assist in establishing cooperative arrangements under which these developing institutions may draw on the talent and experience of America's finest colleges and universities, and on the educational resources of business and industry.

Subsection (b) authorizes the appropriation of \$55 million for the fiscal year ending June 30, 1966, and \$60 million for each of the 4 succeeding fiscal years, to carry out the provisions of title III. Fifty million dollars of the sums authorized for each fiscal year would be divided equally between institutions which do intend and institutions which do not intend to award a bachelor's degree during that year, and the remaining \$5 million (\$10 million after 1966) would be allocated among these classes of institutions by the Commissioner.

Section 302. Definition of "developing institution"

For the purposes of title III, this section defines the term "developing institution" to mean a public or nonprofit educational institution which—

(a) Admits as regular students only persons having a certificate of graduation from high school, or the recognized equivalent of such a certificate;

(b) Is legally authorized to provide and provides within the State an educational program for which it awards a bachelor's degree, or a 2-year program which is acceptable for full credit toward a bachelor's degree, or a 2-year program in engineering, mathematics, or the physical or biological sciences;

(c) Is accredited by a nationally recognized accrediting agency or association determined by the Commissioner to be reliable authority as to the quality of training offered or is, according to such an agency or association, making reasonable progress toward accreditation;

(d) Has met the requirements of (a), (b), and (c) during the 2 academic years preceding the academic year for which it seeks assistance;

(e) Is making a reasonable effort to improve the quality of its teaching and administrative staffs and of its student services;

(f) Is seriously handicapped in its efforts to improve such staffs and services by lack of financial resources and a shortage of qualified professional personnel;

(g) Meets such other requirements as the Commissioner may prescribe by regulation; and

(h) Is not an institution, or department or branch of an institution, whose program is specifically for the education of students to prepare them to become ministers of religion or to enter upon some other religious vocation, or to prepare them to teach theological subjects.

Section 303. Advisory Council on Developing Institutions

Under subsection (a) the Commissioner must establish an Advisory Council on Developing Institutions in the Office of Education. The Council will consist of the Commissioner (who will be Chairman), a representative from each Federal agency which has responsibility with respect to developing institutions and which may be designated by the Commissioner, and eight other members appointed, without regard to the civil service laws, by the Commissioner with the approval of the Secretary.

Subsection (b) provides that the Council will advise the Commissioner on policy matters arising in the administration of title III, and shall particularly assist the Commissioner in identifying those developing institutions through which the purposes of title III can best be achieved, and in the establishment of priorities to be used in approving applications under title III. The Commissioner may appoint special advisory and technical experts and consultants to assist the Council in discharging its functions.

Subsection (c) provides that those members of the Council who are not regular full-time employees of the United States shall, while serving on the business of the Council, be entitled to receive compensation at rates fixed by the Secretary of Health, Education, and Welfare, but not exceeding \$100 per day, including travel time. While serving away from their homes or regular places of business, members may be allowed travel expenses, including per diem in lieu of subsistence.

Section 304. Grants for cooperative agreements to strengthen developing institutions

Subsection (a) authorizes the Commissioner to make grants to developing institutions as well as to other Colleges and universities to pay for a part of the cost of planning, developing, and carrying out cooperative arrangements which promise to be effective as measures for strengthening the academic programs and the administration of developing institutions. The cooperative arrangements themselves may be between developing institutions or between developing institutions and other colleges and universities or organizations, agencies, and business entities. This subsection further suggests, as types of projects and activities for which such grants may be used—

- (1) Exchange of faculty or students, including arrangements for bringing visiting scholars to developing institutions;
- (2) Faculty and administration improvement programs utilizing training, education (including fellowships leading to advanced degrees), internships, research participation, and other means;
- (3) Introduction of new curriculums and curricular materials;
- (4) Development and operation of cooperative education programs involving alternate periods of academic study and business or public employment;
- (5) Joint use of facilities such as libraries or laboratories, including necessary books, materials, and equipment; and

(6) Other arrangements which offer promise of strengthening the academic programs and the administration of developing institutions.

Subsection (b) provides that a grant under this section may be made only upon application to the Commissioner submitted at such time or times and containing such information as the Commissioner deems necessary. The Commissioner shall not approve an application unless it—

(1) Sets forth a program for carrying out one or more projects or activities which meet the requirements of subsection (a) and provides for proper and efficient methods of administration;

(2) Sets forth policies and procedures which assure that Federal funds granted under the section in any fiscal year will be used, not to supplant, but to supplement and (to the extent practical) increase the funds that would in the absence of such Federal funds be made available for the purposes of subsection (a);

(3) Provides for necessary fiscal control and fund accounting procedures; and

(4) Provides for such reports as the Commissioner may require to carry out his functions under the title.

Subsection (c) requires the Commissioner to consult with the Advisory Council and then to establish criteria for eligible expenditures for which grants made under the section may be used. These criteria shall be designed to prevent the use of such grants for expenditures unnecessary to achieve the purposes of the part.

Section 305. National teaching fellowships

Under subsection (a), the Commissioner is authorized to award fellowships to encourage highly qualified graduate students and junior members of the faculty of colleges and universities to teach at developing institutions. The Commissioner shall award such fellowships only upon application by an institution approved by him for this purpose, and only upon a finding by him that the program of teaching set forth in the application is reasonable in the light of the qualifications of the teaching fellow and of the educational needs of the applicant.

Subsection (b) provides that these fellowships may be awarded for such period of teaching, not to exceed 2 academic years or extend beyond June 30, 1970, as the Commissioner may determine. A fellowship under the provisions of this section shall consist of a stipend for each academic year of teaching of \$6,500 or less, as determined by the Commissioner upon the advice of the Council, plus \$400 for each year on account of each of his dependents.

TITLE IV—STUDENT ASSISTANCE

PART A—UNDERGRADUATE SCHOLARSHIPS

Section 401. Statement of purpose and appropriations authorized

Subsection (a) states that the purpose of the part is to provide scholarships, through institutions of higher education and State scholarship programs to qualified high-school graduates from low-income families who for lack of financial means would be unable to obtain the benefits of higher education without such aid. Subsection (a) also states that it is the purpose of Congress to encourage educa-

tional institutions to use work-study and loan programs and any other means of student aid available to them to supplement scholarship aid under the part.

Subsection (b) authorizes \$70 million to be appropriated for the fiscal year ending June 30, 1966, and such sums as may be necessary for each of the 4 succeeding fiscal years, to enable the Commissioner to make payments to institutions for use by them in making payments to students for the initial year of scholarships awarded to them, and for defraying part of the cost of the cooperative motivational program for high-school students described in section 407(a)(5), and to make payments to States for State scholarship programs. Also authorized to be appropriated, for the year ending June 30, 1967, and each of the 6 succeeding fiscal years, are such sums as may be necessary for institutions to make scholarship payments under the part to students for years other than the initial year of their scholarship. Appropriated funds will be available for payment until the close of the fiscal year succeeding the fiscal year for which they were appropriated.

Section 402. Amount of scholarship—annual determinations

An institution which awards a scholarship to a student under the part will, for the duration of the scholarship, pay to the student for each academic year during which he is in need of scholarship aid, an amount (not in excess of \$800, or \$1,000 for a student in the upper half of his college class) determined by the institution to be required by the student to pursue his educational program during that year. If the amount so determined is less than \$200, no payment shall be made to the student for that year. To guide participating institutions, the Commissioner will prescribe basic criteria or schedules for the determination of the scholarship amounts. These criteria or schedules will take into account the objective of limiting scholarship aid under the part to students from low-income families, and other factors that the Commissioner deems relevant.

Section 403. Duration of scholarship

The duration of a scholarship will be the period, not in excess of 4 years, required by the recipient to complete his undergraduate course of study at the institution awarding the scholarship. A scholarship will entitle the recipient to payments only if he (1) is maintaining satisfactory progress in the course of study which he is pursuing, and (2) is devoting essentially full time to that course of study.

Section 404. Selection of recipients of scholarships.

Subsection (a) provides that an individual will be eligible for a scholarship if he is from a low-income family and applies to an eligible institution at the time and in the manner prescribed by it.

Subsection (b) provides that the institution will select individuals who are to be awarded scholarships and determine, pursuant to section 402, the amounts to be paid to them. No institution will award a scholarship to an individual unless it determines that (1) he is in need of the scholarship to pursue a course of study at the institution, (2) he is capable of maintaining good standing in such course of study, and (3) he has been accepted for enrollment as a full-time student at the institution or, in the case of a student already attending the institution, is in good standing and full-time attendance there as an undergraduate student.

Section 405. Apportionment of scholarship funds among States

Subsection (a) provides for the apportionment of funds appropriated for making initial year payments to scholarship recipients and for the cooperative motivational program described in section 407(a)(5). The Commissioner will apportion an amount equal to not more than 2 percent of these funds among Puerto Rico, Guam, American Samoa, and the Virgin Islands according to their respective needs for assistance under this part. The remainder of such funds will be apportioned among the States of the Union and the District of Columbia as follows:

(a) One-third will be apportioned on the basis of the number of students in institutions of higher education in each State and the District of Columbia;

(b) One-third will be apportioned on the basis of the number of secondary school graduates in each State and the District of Columbia; and

(c) One-third will be apportioned on the basis of the number of related children in each State and in the District of Columbia who are under 18 years of age and are living in families with annual incomes of less than \$3,000.

The Commissioner could reapportion any part of a State's apportionment not required by that State.

Subsection (b) provides that sums appropriated for making other than initial year payments to scholarship recipients will be apportioned among the States in such manner as the Commissioner determines to be necessary to carry out the purposes for which these sums were appropriated.

Section 406. Allocation of apportioned funds to institutions and for State scholarship plans

Subsection (a) provides that the Commissioner will allocate funds among institutions within a State in accordance with criteria established by the Commissioner to achieve an equitable distribution of the funds among these institutions.

Subsection (b) provides that upon request from the Governor of any State, up to 15 percent of that State's apportionment for any fiscal year shall be paid to that State for use in granting scholarships to students in institutions of higher education. The State would have to contribute an equal amount of new money for the same purpose, and the scholarships provided with the Federal funds and the State matching funds would have to be granted on the same basis of need, and on substantially the same basis in other respects, as applies to scholarships granted by institutions of higher education under this part.

Section 407. Agreements with institutions—conditions

Subsection (a) states that an institution of higher education which desires to obtain scholarship funds under the part must enter into an agreement with the Commissioner under this part. This agreement must (1) provide that funds received by the institution under the part will be used by it only in accordance with the provisions of this part; (2) provide that in determining whether an individual is an eligible student from a low-income family the institution will make an appropriate review of the financial status of that individual and of any individual upon whom the student relies primarily for his support; (3) provide that in the selection of students to receive

scholarships under this part preference will be given to students who are beginning their first year of undergraduate study, and to students who are transferring from a 2- to a 4-year institution of higher education; (4) provide that the institution will, where appropriate, combine financial assistance in the form of loans, work-study opportunities, and scholarships under this part, in an effort to meet the full financial needs of students from low-income families; (5) provide that the institution, in cooperation with other institutions of higher education where appropriate, will make vigorous efforts to identify qualified youths from low-income families and to encourage them to continue their education beyond secondary school through activities such as establishing or strengthening close working relationships with secondary school principals and guidance personnel and making, to the extent feasible, tentative commitments for scholarships to qualified students enrolled in grade 11 and lower grades and to secondary school dropouts who have a demonstrated aptitude for college study; (6) provide assurance that the institution will not reduce its own scholarship efforts, and will continue to spend in its own scholarship and student aid program, from sources other than funds received under this part, not less than the average expenditure per year made for that purpose during the most recent period of 3 fiscal years preceding the effective date of the agreement; (7) include provisions designed to make scholarships available (to the extent of available funds) to all eligible students in the institution in need thereof; and (8) include such other provisions as may be necessary to protect the financial interest of the United States and promote the purposes of the part.

Subsection (b) provides that an institution may spend for the administration of the program described in paragraph (5) of subsection (a) up to 5 percent of the funds appropriated pursuant to the first sentence of section 401(b) and paid to it for any fiscal year ending prior to July 1, 1970.

Section 408. Contracts to encourage full utilization of educational talent

This section authorizes the Commissioner to enter into contracts, not to exceed \$100,000 per year, with State and local educational agencies and other public or nonprofit organizations and institutions for the purpose of (a) identifying qualified youths from low-income families and encouraging them to complete secondary school and undertake post-secondary educational training, (b) publicizing existing forms of student financial aid, including scholarship aid furnished under the part, and (c) encouraging secondary-school dropouts of demonstrated aptitude to reenter educational programs, including postsecondary school programs. This section also authorizes appropriations of such sums as may be necessary to carry out these objectives.

Section 409. Definition of "academic year"

This section states that as used in the part, the term "academic year" means an academic year or its equivalent as defined in regulations of the Commissioner.

PART B—FEDERAL, STATE, AND PRIVATE PROGRAMS OF LOW-INTEREST
INSURED LOANS TO STUDENTS IN INSTITUTIONS OF HIGHER EDUCATION

Section 421. Statement of purpose and appropriations authorized

Subsection (a) of this section states that it is the purpose of this part to enable the Commissioner (1) to encourage States and nonprofit institutions and organizations to establish adequate insurance programs for students in eligible institutions, (2) to provide a Federal program of student loan insurance for students who do not have reasonable access to a State or private nonprofit student loan insurance program, and (3) to pay a portion of the interest on certain student loans insured under this part or under certain State or private loan insurance programs. "Eligible institution" is defined in sec. 435.

Subsection (b) of this section authorizes the appropriation (1) of \$1 million, plus such further sums as may be necessary, for the establishment of a student loan fund, (2) of such sums as may be necessary to make interest payments on insured loans under section 428, and (3) of \$17.5 million to make advances under section 422 to State and nonprofit private student loan insurance reserve funds.

Section 422. Advances for reserve funds of State and nonprofit private loan insurance programs

Subsection (a) of this section authorizes the Commissioner to make repayable advances to any State with which he has made an agreement pursuant to section 428(b), for the purpose of helping to establish or strengthen the reserve fund of the student loan insurance program covered by that agreement. If a State will not have a student loan insurance program covered by an agreement under section 428(b)—as determined for each of the fiscal years 1966, 1967, and 1968—then for any such year advances could be made to one or more nonprofit private programs to cover students in that State. Advances could be made to both State and private funds if necessary in order to assure that students at every eligible institution have access through such institution to a student loan insurance program. Advances and repayments under this subsection will be upon terms and conditions prescribed by the Commissioner.

The \$17.5 million authorized for advances to State and nonprofit private programs under subsection (a) is to be allocated among the States in proportion to their population aged 18 to 22, inclusive, but with no State receiving less than \$25,000.

Section 423. Effect of adequate non-Federal programs

This section prohibits the Commissioner from issuing insurance certificates to lenders in a State when he determines that every eligible institution has reasonable access in that State to either a State or private nonprofit student loan insurance program covered by an agreement under section 428(b).

Section 424. Scope and duration of loan insurance program

Subsection (a) limits the total principal amount of new loans made (and installments paid pursuant to lines of credit) to students covered by insurance under this part to \$700 million in the fiscal year ending in 1966, \$1 billion in the fiscal year ending in 1967, and \$1.400 million in the fiscal year ending in 1968. Thereafter, insurance under this part may be granted only for loans made (or for loan installments paid pursuant to lines of credit) to enable students, who have obtained

prior loans insured under this part, to continue or complete their educational program; but no insurance may be granted for any loan made or installment paid after June 30, 1972.

Subsection (b) permits the Commissioner to assign insurance quotas to States, areas, or eligible lenders.

Section 425. Limitations on individual loans and on insurance

Subsection (a) of this section limits the amount of insured loans made to a student to \$1,500 per year in the case of a graduate or professional student, and to \$1,000 per year in the case of any other student. The overall amount of insurance on the unpaid principal of loans may not at any time exceed \$7,500 in the case of a graduate or professional student, or \$5,000 for any other student. Under subsection (b) the liability of the United States on an insured loan is limited to the amount of unpaid principal and does not extend to accrued interest.

Section 426. Sources of funds

This section permits insurance of loans made from funds held in trust or a similar capacity.

Section 427. Eligibility of student borrowers and terms of student loans

Subsection (a) of this section provides that loans are insurable only if they meet the following conditions: The borrower must be accepted for enrollment or be in good standing at an eligible institution, must carry at least half of the normal full-time workload, and must provide the lender with the institution's statement of tuition, fees, and estimated room and board.

The loan must be evidenced by an unsecured note, which may be required to be endorsed only if necessary to create a binding obligation. The note must provide for repayment within 15 years of its execution in installments during a period of 5 to 10 years beginning between 9 months and 1 year after the student ceases to carry half of the normal full-time workload at an eligible institution.

Interest on the loan cannot exceed the rate prescribed by the Commissioner for the geographic area, and is payable over the period of the loan unless the note provides for deferral of interest not paid under section 428 until the first payment of principal. The lender must agree not to try to collect from the borrower interest payable by the Commissioner under section 428. The note must permit the borrower to accelerate repayment.

Subsection (b) limits the interest rate on insured loans to 6 percent, except that under certain exceptional circumstances the rate may be as high as 7 percent.

Subsection (c) requires a minimum annual repayment by a borrower on all of his loans insured by the Commissioner under this part of \$360 or his outstanding balance, whichever is less.

Section 428. Federal payments to reduce student interest costs

This section directs the Commissioner to make payments to holders of insured student loans to reduce student interest costs. Each student whose adjusted family income is less than \$15,000, and who has received a loan insured under this part, or under a State or non-profit private program meeting required standards, will be entitled to have paid on his behalf to the holder of the loan, over the period of the loan, a portion of the interest on the loan. In order to entitle

student borrowers to the benefit of the interest subsidy with respect to loans insured by any State or private nonprofit program, such program must, after June 30, 1967, have an agreement meeting all of the requirements provided in section 428(b) concerning the terms of the loan insurance program. During the transitional period prior to July 1, 1967, such program must only meet the standards limiting the interest rate to no higher than 6 percent yearly on the unpaid principal balance of the loan and the provision that repayment of the insured loans shall not be required to begin earlier than 60 days after the student ceases to pursue his course of study at an eligible institution. (Adjusted family income will be determined as of the time of execution of the loan note and will be determined under regulations of the Commissioner which will take into account appropriate factors such as family size.)

The payment a student is entitled to have made on his behalf under this section will, during the period which precedes the repayment period of the loan, be equal to the total amount of the interest which accrues prior to the beginning of the repayment period, and will, during the repayment period, be equal to 3 percent per annum of the unpaid principal amount of the loan. However, the payment may not exceed, for any period, the amount of the interest, which (but for such payment) would be actually payable by the student, taking into consideration interest payments on his behalf for that period under any State or private loan insurance program. The holder of an insured loan will have a contractual right, as against the United States, to be paid by the Commissioner the portion of interest which has been determined under this section. The Commissioner will prescribe the manner of payment and the form of certain reports to be made by the holder of the loan.

Subsection (b) of this section sets forth the conditions under which students whose loans are insured under State or private programs will receive payments to reduce their interest costs under this section. Any State or any nonprofit private institution or organization which has a student loan insurance program may enter into an agreement with the Commissioner to permit students who receive loans which are insured under its program to have made on their behalf payments under subsection (a), if the Commissioner determines that the insurance program—

(A) Authorizes the insurance of up to \$1,000 but not more than \$1,500 in loans per student per academic year;

(B) Authorizes the insurance of loans to any individual student for at least 6 academic years of study;

(C) Provides that (i) the student borrower may accelerate without penalty the whole or any part of an insured loan, (ii) the period of any insured loan may not exceed 15 years from the date of execution of the note evidencing of the loan, and (iii) the note contain certain default provisions prescribed by the Commissioner's regulations;

(D) Subject to the preceding subparagraph, provides that, if a student's insured loans held by any one person exceed \$2,000, then repayment of such loans will be in installments over a period of not less than 5 years nor more than 10 years beginning between 9 months and 1 year after the student ceases to pursue a full-time course of study at an eligible institution (except that if the program provides for the insurance of loans for part-time

study at eligible institutions, the repayment period will begin between 9 months and 1 year after the student ceases to carry at least one-half the normal full-time academic workload);

(E) Limits interest (exclusive of the insurance premium) to 6 percent per annum on the unpaid principal balance of the loan;

(F) Insures at least 90 percent of the unpaid principal of loans insured under the program;

(G) Does not provide for collection of an excessive insurance premium;

(H) Provides that the benefits of the loan insurance program will not be denied any student because of his family income or lack of need, if his adjusted family income is less than \$15,000;

(I) Provides that a student may obtain insurance under the program for a loan for any year of study at an eligible institution; and

(J) Provides, in the case of a State program, that the program will be administered by a single State agency, or by one or more nonprofit private institutions or organizations under the supervision of such an agency.

Agreements under this subsection will require reports and have certain other provisions necessary to carry out this part.

Section 429. Certificates of insurance—effective date of insurance

This section details the method by which an eligible lender obtains insurance on a student loan. Subsection (a) provides that loans which meet the requirements of the act may be insured after they are made, on application by the lender, but that the Commissioner on application may make an advance commitment to insure a proposed loan or line of credit. Subsection (b) prescribes another alternative under which the Commissioner may issue to eligible lenders certificates of comprehensive insurance coverage which would insure all insurable loans made by a lender during a period and up to an amount specified in the certificate. Subsection (c) authorizes the Commissioner to charge a yearly insurance premium of up to one-fourth of 1 percent of the unpaid balance of the principal of an insured loan.

Subsections (d) and (e) relate to assignment and consolidation of insured obligations.

Section 430. Procedure on default, death, or disability of student

This section sets out the procedure by which eligible lenders (and their assignees) collect any amounts for which the United States is liable by reason of the default, death, or disability of the borrower. The Commissioner may forebear his collection rights (under the subrogation provisions of the section) in the case of deceased or disabled borrowers.

Section 431. Insurance fund

This section establishes a student loan insurance fund into which will be deposited amounts appropriated under the authority of section 421(b)(1), insurance premiums, and amounts recovered by the Commissioner from defaulted borrowers. All payments in connection with the default of loans insured under the act will be paid from the fund, and in the event that the moneys in the fund are not sufficient to make such payments the Commissioner may obtain additional moneys by issuing to the Secretary of the Treasury notes or other obligations as a public debt transaction.

Section 432. Legal powers and responsibilities

This section authorizes the Commissioner, in carrying out the act, to make regulations, sue and be sued, prescribe and modify the terms of insurance contracts, permit the modification of student loan agreements, and to settle insurance claims. The Commissioner's financial operations are subject to the Government Corporation Control Act.

Section 433. Advisory Council on Insured Loans to Students

This section requires the Secretary of Health, Education, and Welfare to establish in the Office of Education an Advisory Council on Insured Loans to Students. The Council would consist of the Commissioner, who would be chairman, and eight other members, including persons representing State and private nonprofit loan insurance programs, financial and credit institutions, and institutions of higher education. The Council would advise the Commissioner in the preparation of general regulations, and with respect to policy matters arising in the administration of this part.

Section 434. Participation by Federal credit unions in Federal, State, and private student loan insurance programs

This section permits Federal credit unions to use up to 10 percent of their assets for making to their members student loans insured under this part or under certain State or private loan insurance programs.

Section 435. Definitions for reduced-interest student loan insurance program

This section defines, for purposes of this part, the term "eligible institution," "eligible lender," and "line of credit."

PART C—COLLEGE WORK-STUDY PROGRAM EXTENSION AND AMENDMENTS

Section 441. Transfer of authority and other amendments

Section 441 amends parts C and D of title I of the Economic Opportunity Act of 1964 and (1) transfers authority to administer the work-study program under part C from the Director of the Office of Economic Opportunity to the Commissioner of Education; (2) restates the statement of purpose pertaining to the work-study program (sec. 121) to provide that the purpose of the program is to stimulate and promote the part-time employment of students, particularly from low-income families, in institutions of higher education who are in need of the earnings from such employment to pursue courses of study at such institutions (the present program is solely for students from low-income families); (3) revises section 123 of the act to adopt the definition of "institution of higher education" which is proposed in section 461 of the bill for the National Defense Education Act of 1958 (the present work-study program adopts the definition used in the Higher Education Facilities Act of 1963); (4) revises section 124 (a) of the act to apply, in substance, the same requirements to work for an institution of higher education as are applied to work for a public or private nonprofit organization; (5) revises clause (c) of section 124 to require that agreements provide that, in the selection of students for employment, preference is to be given to students from low-income families; (6) adds to section 125 (which permits institutions

to draw from any source other than Federal work-study payments for paying their share of the compensation of students under work-study programs) authority for institutions to pay their share to students in the form of services and equipment (including tuition, room, board, and books) furnished by such institutions; and (7) makes a clarifying change, necessitated by the transfer of the work-study program, with respect to the authorization of appropriations provided for in section 131 (pt. D) of the Economic Opportunity Act of 1964.

Section 442. Appropriations authorized

Section 442 authorizes the appropriation of \$129 million for the fiscal year 1966, \$165 million for fiscal year 1967, \$200 million for fiscal year 1968, and \$235 million each for fiscal years 1969 and 1970, to carry out college work-study programs. This section also contains certain technical provisions necessitated by the transfer of responsibility for the program to the Office of Education.

PART D—AMENDMENTS TO NATIONAL DEFENSE EDUCATION ACT OF 1958

Section 461. Definition of institution of higher education

Section 461 amends section 103(b) of the NDEA with respect to the definition of "institution of higher education." In the case of an institution which is not accredited by a nationally recognized accrediting agency approved by the Commissioner for this purpose, a new provision states that the institution may meet the accreditation standards of the act if the Commissioner has determined that there is satisfactory assurance that it will meet the standards of such an agency or association within a reasonable time. Section 103(b) is also amended to provide that, for purposes of title II, certain non-profit schools which provide not less than a 1-year program of training to prepare students for gainful employment in a recognized occupation are to be treated as institutions of higher education. Section 103(b), as amended by this section, also confers additional authority upon the Commissioner, in cases where he has determined that a particular category of schools does not meet the accreditation requirements because there is no nationally recognized accrediting agency or association qualified to accredit schools in such category, to appoint advisory committees to (i) prescribe standards to be met in order to qualify such schools to participate in the student loan program under title II, and (ii) to determine whether these schools meet those standards.

Section 462. Conditions of agreements; administrative costs

Section 462 amends clause (3) of section 204 of the NDEA to require that agreements between the Commissioner and institutions participating in the loan program provide that student loan funds may be used for routine expenses (within specified limits) incurred by the institution in administering the student loan fund, and for collection costs (in addition to costs of litigation) agreed to by the Commissioner.

Section 463. Technical amendment for part-time students

Subsection (a) of this section amends section 205(b)(2) of the NDEA to authorize institutions to determine whether loans shall be repaid in equal (or if the borrower requests, in graduated periodic installments determined in accordance with schedules approved by the Commissioner) quarterly, bimonthly, or monthly installments. It also

amends section 205(b)(2) to provide that repayment of principal, together with interest, is to commence 9 months after the date on which the borrower ceases to carry at least half the normal full-time academic workload, and end 10 years and 9 months after such date except that interest shall not accrue and no installment need be paid while the borrower is carrying (at an institution of higher education or comparable institution outside the States, approved for this purpose by the Commissioner) at least one-half the normal full-time academic workload, as determined by the institution.

Subsection (b) of this section makes minor conforming amendments to clause (D) of section 205(b)(2).

Subsection (c) of this section provides that the amendments made by section 463 shall apply to loans outstanding on the date of enactment only with the consent of the borrower and the lending institution.

Section 464. Minimum rate of repayment

Subsection (a) of this section amends section 205(b)(2) of the NDEA to authorize institutions to require that the rate of repayment by a borrower on all title II loans extended him must be not less than \$15 per month.

Subsection (b) provides that the amendment made by section 464 shall be applicable only with respect to loans made after the date of enactment.

Section 465. Cancellation of loans for teachers

Subsection (a) of this section amends section 205(b)(3) of the NDEA in three respects: First, to provide that the portion of the loans to be forgiven teachers is to be calculated as a percentage of the original total of the loans in question rather than, as the law now provides, of the amount of the loan remaining unpaid on the first day of service as a teacher; second, to provide that the prescribed portions of the loan to be forgiven shall be forgiven for each academic year "or its equivalent"; and third, to provide that the cancellation rate for teachers shall be 15 percent for each complete academic year, or its equivalent, of service as a full-time teacher in a public or other non-profit elementary or secondary school which is in the school district of a local educational agency eligible in such year for assistance under title II (financial assistance to local educational agencies for the education of children of low-income families) of Public Law 874, 81st Congress, and which has been determined to be a school in which there is a high concentration of students from low-income families. For purposes of such cancellation, an additional 50 percent of any loan (plus interest) may be canceled.

Subsection (b) sets forth the effective dates of the three amendments made by subsection (a).

Section 466. Charges

Subsection (a) of section 466 amends section 205 of the NDEA by adding a new subsection (c) to authorize institutions to assess charges against borrowers who fail to pay all or any part of an installment when due, and against borrowers who are entitled to deferment benefits or cancellation benefits but who fail to file timely and satisfactory evidence of such entitlement. Such charges may amount to \$1 for the first month of delinquency and \$2 each month thereafter, except that for bimonthly or quarterly repayment intervals, the charge may be \$3 and \$6, respectively. Institutions would be authorized to elect

whether to add these charges to the principal amount of loans as of the first day after the day on which such installment or evidence was due, or to make the amount of the charge payable to the institution not later than the due date of the next installment after receipt by the borrower of notice of the assessment of the charge.

Subsection (b) of the section amends section 204(2) of the NDEA to conform to the amendment.

Subsection (c) provides that the amendment made by subsection (a) is applicable only with respect to loans made after the date of enactment.

Section 467. Economics, civics, and industrial arts

Subsection (a) of this section amends clauses (1) and (5) of section 303(a) of the NDEA pertaining to State plans under which financial assistance is extended for strengthening instruction in science, mathematics, modern foreign languages and other critical subjects, to include "economics" among subjects which may be included in programs by State educational agencies. Subsection (a) also authorizes increased appropriations (from \$90 to \$100 million) for fiscal years 1966, 1967, and 1968 for carrying out title III of the NDEA.

Subsection (b) of section 467 amends section 1101 of the NDEA (authorizing short-term or regular session institutes for advanced study) to provide for the authorization of \$50 million (rather than \$32,750,000) for fiscal 1966 and for each of the 2 succeeding years. It also amends section 1101 to expand the categories of eligible support to include institutes to improve the qualification of individuals who are engaged in or preparing to engage in the teaching or the supervising or training of teachers, of economics, civics, and industrial arts.

TITLE V—TEACHER PROGRAMS

PART A—GENERAL PROVISIONS

Section 501. Advisory Council on Teacher Preparation

Subsection (a) of this section provides that the Commissioner shall establish an Advisory Council on Teacher Preparation in the Office of Education. The Commissioner will be Chairman of the Council, and he will appoint (with the approval of the Secretary) the 12 members of the Council. Such 12 members shall include persons knowledgeable with respect to teacher preparation and the needs of urban and rural schools. The purpose of the Council will be to review the administration and operation of the programs carried out under this title and under all other Federal programs for complementary purposes.

Subsection (b) provides for compensation of Council members who are not regular full-time employees of the United States.

Subsection (c) allows the Council to appoint an Executive Secretary and such other employees as it deems necessary to carry out its functions under this part.

Section 502. Limitation

This section provides that nothing contained in this title shall be construed to authorize the making of any payment under this title for religious worship or instruction.

PART B—NATIONAL TEACHER CORPS

Section 511. Statement of purpose and authorization of appropriations

Subsection (a) states that it is the purpose of this part to improve the educational opportunities available to children in areas having a concentration of low-income families, and at the same time to encourage the development of broader programs of teacher preparation in colleges and universities, by attracting and training both qualified teachers and inexperienced teacher-interns who will be made available to local educational agencies in low-income areas.

Subsection (b), for the purpose of carrying out this part, authorizes the appropriation of \$36,100,000 for the fiscal year ending June 30, 1966, and \$64,715,000 for the fiscal year ending June 30, 1967, and for each of the four succeeding fiscal years.

Section 512. Establishment of National Teacher Corps

A National Teacher Corps, to be headed by a Director who shall be compensated at the rate prescribed for grade 17 of the General Schedule of the Classification Act of 1949, and a Deputy Director who shall be compensated at the rate prescribed for grade 16, is established in the Office of Education in order to carry out the purposes of this part.

Section 513. Teacher Corps program

Subsection (a) authorizes the Commissioner to (1) recruit, select, and enroll both experienced teachers and inexperienced teacher-interns (who have a bachelor's degree or its equivalent) in the Teacher Corps for periods of up to 2 years; (2) enter into arrangements with institutions of higher education or State or local educational agencies to provide members of the Teacher Corps with appropriate training, including a maximum of 3 months' training before undertaking their teaching duties; (3) enter into arrangements (including the payment of cost of such arrangements) with local educational agencies to furnish experienced teachers and teaching teams (consisting of one experienced teacher and a number of teacher-interns) for service during regular or summer sessions, or both, in the schools of such agencies in areas having concentrations of children from low-income families, and under which arrangements teacher-interns shall be afforded time by the local educational agency for a teacher-intern training program carried out under the guidance of the experienced teacher in cooperation with an institution of higher education; (4) pay to local educational agencies the amount of compensation which such agencies pay to members of the Teacher Corps assigned to them; and (5) employ experts and consultants or organizations thereof to assist the Commissioner in carrying out his functions under this part.

Subsection (b) provides that, wherever possible, arrangements with institutions of higher education to furnish training to teacher-interns while such interns are teaching, shall provide for training leading to a graduate degree.

Subsection (c) provides that when the demand for the services of Teacher Corps members exceeds the supply, the Commissioner shall, to the extent practicable, allocate those members available among the States in proportion to the number of children counted in each State for the purpose of making basic grants under title II of Public Law

874, 81st Congress, as amended, for the fiscal year for which such allocation is made.

Subsection (d) provides that Teacher Corps members may be utilized by a local educational agency to provide educational services available to children enrolled in private elementary and secondary schools, in the manner described in section 205(a)(2) of Public Law 874, 81st Congress, as amended.

Section 514. Compensation

Subsection (a) requires that an arrangement with a local educational agency shall provide that Teacher Corps members shall be compensated by that agency at the following rates: (1) Experienced teachers shall receive pay equivalent to that received by teachers with similar training experience and duties who are employed by the local educational agency, (2) experienced teachers leading teaching teams are to be compensated at a rate agreed upon by the Commissioner and the agency, and (3) teacher-interns will be compensated at the lowest rate paid by such agency for full-time teaching in the school system and grade to which the intern is assigned.

Subsection (b) authorizes the Commissioner to pay stipends to Teacher Corps members while such members are in training. Such payments may include allowances for subsistence and other expenses for such members and their dependents, and are to be consistent with prevailing practices under comparable federally supported training programs.

Subsection (c) authorizes the Commissioner to pay certain necessary expenses of Teacher Corps members, including travel, transportation of household goods, and readjustment allowances proportionate to service.

Subsection (d) authorizes the Commissioner to arrange to protect the tenure, retirement rights, and similar employee benefits of any Teacher Corps member who wishes to return to the local educational agency or institution of higher education by which he was employed immediately prior to his service in the Corps.

Section 515. Application of provisions of Federal law

Subsection (a). A Teacher Corps member is not to be deemed a Federal employee, except as is otherwise specifically provided in this section, and is not subject to those provisions of law relating to Federal employment.

Subsection (b) provides, however, that Teacher Corps members shall be deemed to be Federal civil employees within the meaning of section 40 of the Federal Employees' Compensation Act (5 U.S.C. 790) for the purposes of the administration of that act, and the provisions of that act shall apply except as hereinafter provided. For purposes of this subsection the term "performance of duty" in the Federal Employees' Compensation Act shall not include any act of a member of the Teacher Corps while on authorized leave, or while absent from his assigned post of duty, except while participating in an activity authorized by the Commissioner. In computing compensation benefits for disability or death under the Federal Employees' Compensation Act, the monthly pay of a member of the Teacher Corps shall be deemed to be his actual pay or that received under the entrance salary for GS-6, whichever is greater.

Subsection (c) provides that members of the Teacher Corps shall be deemed to be employees of the Government for the purposes of the Federal Tort Claims Act.

Section 516. Local control preserved

Members of the Teacher Corps shall be under the direct supervision of the local educational agencies to which they are assigned, and such agencies shall retain the authority to assign such members within their systems, make transfers within their systems, determine the subject matter to be taught, and determine the terms and continuance of the assignment of such members within their systems.

Section 517. Maintenance of effort

No member of the Teacher Corps may be used by any local educational agency to replace any teacher who is or would otherwise be employed by such agency.

PART C—FELLOWSHIPS FOR TEACHERS

Section 521. Statement of purpose

The purpose of this part is to provide opportunities for advanced training, particularly in substantive field areas, for teachers and personnel serving in ancillary fields.

Section 522. Fellowships authorized

Subsection (a) authorizes the Commissioner to award fellowships for graduate study leading to a masters or equivalent degree, either in education or in the subject matter which the recipient is or will be teaching in elementary, secondary, or post secondary vocational schools. Such fellowships may also be awarded in fields ancillary to elementary, secondary, and postsecondary vocational education. These fellowships may be for a period not exceeding 2 academic years. The Commissioner is authorized to award 4,500 fellowships for fiscal year 1966, 10,000 fellowships for fiscal year 1967, and 15,000 fellowships for fiscal year 1968 and each of the 2 succeeding fiscal years.

Subsection (b) further authorizes the Commissioner to award, in addition to the number of fellowships authorized for any particular fiscal year, a number of fellowships equal to those previously awarded but vacated. Each such fellowship shall be for a period of study equal to that remaining in the fellowship which it replaces.

Section 523. Fellowships for recent graduates

An institution of higher education may recommend for a fellowship any of its graduates who has received a bachelor's degree with high standing within 6 months preceding such recommendation. The Commissioner shall award 40 percent of the fellowships authorized by this part to such persons.

Section 524. Fellowships for experienced teachers

The remaining 60 percent of the fellowships authorized under this part are to go persons who have had 5 years or more of professional experience. Such persons must be recommended by a local educational agency or a private school authority, and the agency or authority must agree to rehire the individual upon completion of the course of study under the fellowship.

Section 525. Fellowships in ancillary fields

This section requires that between 20 and 25 percent of the fellowships awarded under sections 523 and 524 will be given to persons who wish to do graduate work in fields ancillary to elementary, secondary, or postsecondary vocational education, such as library science or school social work.

Section 526. Fellowships for displaced experienced teachers

This section provides that the Commissioner may award, without regard to the requirements with respect to recommendations and agreements to rehire, up to 20 percent of the fellowships awarded under section 524 to persons who have been displaced in their employment as professional employees of local educational agencies as a result of changes of school populations brought about by the enforcement of the Civil Rights Act of 1964, or by any other action, whether voluntary or under court order, which helps to achieve the purpose of that act.

Section 527. Distribution of fellowships

The Commissioner shall endeavor to distribute these fellowships equitably throughout the Nation, and he shall give preference in such awards to persons already serving, or intending to serve, in low-income areas.

Section 528. Stipends

Subsection (a) provides that a fellowship awarded under section 523 (for recent graduates) carries a stipend of \$2,000 for the first academic year and \$2,200 for the second year. A section 524 fellowship (for experienced teachers) carries a stipend of \$4,800 for each academic year of study. An additional \$400 per year shall be paid to each fellowship recipient for each of his dependents.

Subsection (b) authorizes the payment of \$3,000 per academic year to the institution of higher education where a recipient of a fellowship is studying. This amount will be less any amount charged any such recipient for tuition.

Under subsection (c) the Commissioner is authorized to reimburse a fellowship recipient for necessary traveling expenses of the recipient and his dependents.

Section 529. Limitation

This section provides that no fellowship shall be awarded for study at a school or department of divinity, which means an institution or department or branch of an institution, whose program is specifically for the education of students to prepare them to enter upon some religious vocation.

Section 530. Fellowship conditions

In order to remain eligible for his fellowship payments, a recipient must maintain satisfactory proficiency in, and devote essentially full time to, study or research in the field in which such fellowship was awarded, in an institution of higher education, and must not engage in gainful employment other than part-time employment which has been approved by the Commissioner.

Section 531. Appropriations

This section authorizes the appropriation of such amounts as may be necessary to carry out the provisions of this part.

PART D—GRANTS TO INSTITUTIONS OF HIGHER EDUCATION FOR
IMPROVED TEACHER EDUCATION

Section 541. Appropriations authorized

For the purpose of carrying out this part, this section authorizes the appropriation of \$5 million for the fiscal year ending June 30, 1966, and for each of the four succeeding fiscal years.

Section 542. Grants for improved teacher education

Subsection (a) authorizes the Commissioner to make grants to and contracts with institutions of higher education to pay part of the cost of developing or strengthening graduate programs for the training of teachers and of developing or strengthening high-quality undergraduate programs for the training of such personnel. The Commissioner may employ experts and consultants to advise him with respect to the making of grants and contracts under this part and in carrying out the provisions of part C. The Commissioner shall set forth in regulations the standards and priorities which will be utilized in approving such grants and contracts.

Subsection (b) sets out the standards which the Commissioner will use in determining whether or not a graduate program of an institution of higher education qualifies for assistance under this part. Such a program must (1) improve the quality of teacher education, (2) give major emphasis to high-quality substantive courses, (3) either be in effect or be attainable as a result of assistance received under this part, and (4) be open only to those with a serious intent to pursue a career in education.

TITLE VI—FINANCIAL ASSISTANCE FOR THE IMPROVEMENT OF UNDER-
GRADUATE INSTRUCTION

PART A—EQUIPMENT

Section 601. Statement of purpose and authorization of appropriations

Subsection (a) states that the purpose of this part is to improve the quality of classroom instruction in selected subject areas in institutions of higher education.

Subsection (b) authorizes the appropriation of \$35 million for fiscal year 1966, \$50 million for fiscal year 1967, and \$60 million for fiscal years 1968, 1969, and 1970, to enable the Commissioner to make grants to institutions of higher education for the acquisition of equipment and for minor remodeling.

Subsection (c) authorizes the appropriation of \$2,500,000 for fiscal year 1966, and \$10 million for fiscal years 1967, 1968, 1969, and 1970, to enable the Commissioner to make grants to institutions of higher education for the acquisition of television equipment and for minor remodeling.

Subsection (d) authorizes the appropriation of not more than \$1 million for fiscal year 1966 and for each of the 4 succeeding fiscal years, to enable the Commissioner to make grants for the proper and efficient administration of State plans approved under this part, including expenses which he determines are necessary for the preparation of such plans.

Section 602. Allotments to States

Subsection (a) provides that of the funds appropriated pursuant to subsections (b) and (c) of section 601 for any fiscal year, one-half shall be allotted by the Commissioner among the States on the basis of the number of students enrolled in institutions of higher education in each State. The remaining one-half would be allotted by the Commissioner among the States in accordance with a formula which would take into account the college enrollment of each State and its relative per capita income.

Subsection (b) provides that a State's allotment under subsection (a) from funds appropriated pursuant to sections 601(b) and 601(c) shall be available in accordance with the provisions of this part for payment of the Federal share (as determined under section 604) of the cost of equipment and minor remodeling described in sections 603(2)(A) and 603(2)(B), respectively.

Subsection (c) provides that sums allotted to a State for fiscal year 1966 shall remain available for reservation until the close of the next fiscal year. Sums allotted to a State for fiscal year 1967, or for any succeeding fiscal year, which are not reserved by the close of the fiscal year for which they are allotted, shall be reallocated by the Commissioner among the States which are able to use without delay any amounts so reallocated. Amounts so reallocated would be available for reservation until the close of the next fiscal year.

Section 603. State commissions and plans

Section 603 provides that any State desiring to participate in the program under this part shall designate for that purpose an existing State agency which is broadly representative of the public and of institutions of higher education in the State. If no such State agency exists, the State may establish such an agency. The agency so designated or established (hereafter referred to as the "State commission") must submit to the Commissioner a State plan for participation. The Commissioner must approve any such plan which meets the following requirements. The plan must provide that it shall be administered by the State commission. It must set forth, consistently with basic criteria prescribed by regulation pursuant to section 604, (A) objective standards and methods for determining the relative priorities of eligible projects for the acquisition of specified laboratory and other special equipment, including minor remodeling of classroom or other space used for such materials or equipment; (B) objective standards and methods for determining relative priorities of eligible projects for (i) the acquisition of television equipment for closed-circuit direct instruction in specified fields (but not broadcast transmission equipment), (ii) the acquisition of necessary instructional materials for use in such television instruction, and (iii) minor remodeling necessary for such television equipment; and (C) objective standards and methods for determining the Federal share of the cost of each such project.

The plan must also provide (A) for assigning priorities solely on the basis of such criteria, standards, methods to eligible projects submitted to the State commission and deemed by it to be otherwise approvable under the provisions of this part; and (B) for approving and recommending to the Commissioner, in the order of such priority, applications covering such eligible projects, and for certifying to

the Commissioner the Federal share, determined by the State commission under the State plan, of the cost of the project involved. The plan must provide for affording to every applicant, which has submitted to the State commission a project, an opportunity for a fair hearing before the commission as to the priority assigned to the project or as to any other determination of the commission adversely affecting the applicant. Finally, the plan must provide for adequate fiscal control and fund accounting procedures and for the making of such reports as may be reasonably necessary to enable the Commissioner to perform his functions under this part.

Section 604. Basic criteria for determining priorities, Federal share, and maintenance of effort

Subsection (a) provides that as soon as practicable after the enactment of this act, the Commissioner shall by regulation prescribe basic criteria governing the provisions of State plans setting forth standards and methods for determining relative priorities of eligible projects, and governing the application of these standards and methods to eligible projects. These basic criteria must be such as will best tend to achieve the objectives of this part while leaving adequate flexibility for the development of State plan standards and methods. The basic criteria must give special consideration to the financial need of the institution. Subject to the foregoing requirements, these regulations may establish additional and appropriate basic criteria.

Subsection (b) provides that the Federal share for the purposes of this part shall be 50 percent of the cost of the project, except that a State commission may increase this share to not more than 80 percent of that cost in the case of any institution proving insufficient resources to participate in the program under this part and inability to acquire such resources. An institution of higher education which obtains a grant for a project pursuant to this part in any fiscal year must agree to expend during that year for the same purpose an amount at least equal to the amount expended by such institution for that purpose during the previous fiscal year.

Section 605. Applications for grants and conditions for approval

Subsection (a) provides that institutions of higher education which desire to obtain grants under this part shall submit applications at such times and in such manner as may be prescribed by the Commissioner.

Subsection (b) provides that the Commissioner must approve an application covering a project under this part and meeting the requirements prescribed pursuant to subsection (a) if the following conditions have been met: (1) The project has been approved and recommended by the appropriate State commission; (2) the State commission has certified to the Commissioner the Federal share of the cost of the project, and sufficient funds to pay such Federal share are available from the applicable allotment of the State; (3) the project has been assigned a priority that is higher than that of all other projects within such State (chargeable to the same allotment) which meet all the requirements of this section and for which Federal funds have not yet been reserved; (4) the Commissioner determines that the project will be undertaken in an economical manner and will not be overly elaborate or extravagant; and (5) the Commissioner determines that the application contains or is supported by satisfactory assurances

(A) that Federal funds received by the applicant will be used solely for the project covered by such application, (B) that sufficient funds will be available to meet the non-Federal portion of such cost and to provide for the effective use of the equipment upon completion and, (C) that the institution will meet the maintenance of effort requirement in section 604(b).

Subsection (b) provides that amendments of applications shall, except as the Commissioner may otherwise provide by or pursuant to regulation, be subject to approval in the same manner as original applications.

Section 606. Amount of grant—Payment

This section provides that upon his approval of any applications for a grant under this part, the Commissioner shall reserve from the applicable allotment the Federal share of the cost of the project covered by such application. The Commissioner's reservation of any amount under this section may later be amended by him.

Section 607. Administration of State plans

This section provides that the Commissioner shall not finally disapprove any State plan without first affording the State commission submitting the plan reasonable notice and opportunity for a hearing. It also provides for terminating the eligibility of a State whenever the Commissioner, after reasonable notice and opportunity for hearing to the State commission administering the State plan, finds that the State plan has been so changed that it no longer complies with the provisions of section 603, or that in the administration of the plan there is a failure to comply substantially with any such provision.

Section 608. Judicial review

This section provides for judicial review if any State is dissatisfied with the Commissioner's final action with respect to the approval of its State plan submitted under this part or with his final action under section 607.

Section 609. Limitation on payments

This section provides that nothing contained in this part shall be construed to authorize the making of any payment under this part for any equipment or materials for religious worship or instruction.

PART B—FACULTY DEVELOPMENT PROGRAMS

Section 621. Institutes authorized

This section authorizes the appropriation of \$5 million for fiscal year 1966 and for each of the 4 succeeding fiscal years to enable the Commissioner to arrange, through grants or contracts, with institutions of higher education for the operation of them by short-term workshops or short-term or regular session institutes. These workshops and institutes would be for individuals who are engaged in (or preparing to engage in) the use of educational media equipment in teaching in institutions of higher education, or who are (or are preparing to be), in institutions of higher education, specialists in educational media or librarians or other specialists using such media.

Section 622. Stipends

This section provides that each individual who attends an institute operated under the provisions of this part shall be eligible to receive a stipend at the rate of \$75 per week for the period of his attendance at such institute, plus an additional stipend at the rate of \$15 per week for each dependent. No stipends shall be paid for attendance at workshops.

TITLE VIII—AMENDMENTS TO HIGHER EDUCATION FACILITIES ACT
OF 1963

Section 701. Expansion of grant purposes

Subsection (a) amends section 106 of the Higher Education Facilities Act of 1963 to remove the restriction which prohibited institutions of higher education (other than public community colleges and public technical institutes) from receiving grants for undergraduate academic facilities other than those especially designed for instruction or research in the natural or physical sciences, mathematics, modern foreign languages, or engineering, or for use as a library. The amendment does not affect the provisions of section 401(a) of the act, which in effect prohibit the giving of assistance under the act for the construction of gymnasiums, facilities to be used for sectarian instruction or as a place for religious worship, and other designated facilities.

Subsection (b) increases the fiscal year 1966 authorization for title I of the Higher Education Facilities Act of 1963 (grants for construction of undergraduate academic facilities) from \$230 to \$330 million.

Subsection (c) increases the fiscal year 1966 authorization for title II of the Facilities Act (grants for construction of graduate academic facilities) from \$60 to \$120 million.

Section 702. Technical amendments

Subsection (a). Making section 103 allotments available for section 104 institutions under certain circumstances.—Under title I of the Higher Education Facilities Act of 1963, 22 percent of the sums appropriated are allotted among the States for use in providing facilities for public community colleges and public technical institutes, and the remainder of the appropriated sums are allotted among the States for use in providing facilities for other institutions of higher education. This subsection would permit funds allotted to a State for public community colleges and public technical institutes to be used, at the request of the Governor of the State, for other institutions of higher education.

Subsection (b). Making section 104 allotments available for section 103 institutions under certain circumstances.—This amendment is the converse of the amendment made by subsection (a). It would permit funds allotted to a State for institutions of higher education other than public community colleges and public technical institutes to be used, at the request of the Governor of the State, for public community colleges and public technical institutes.

Subsection (c). Revising Federal share for public community colleges and public technical institutes.—Under title I of the Higher Education Facilities Act of 1963, the Federal share of the cost of a project for a public community college or a public technical institute is 40 percent, whereas the Federal share of the cost of a project for any other institution may be any amount up to 33½ percent. This subsection would

amend title I so that the Federal share for a project for a public community college or a public technical institute could be any amount up to 40 percent, rather than simply an inflexible 40 percent.

Subsection (d). Indefinite availability of sums appropriated under section 201.—Title II of the Higher Education Facilities Act of 1963 authorizes grants for the construction of graduate academic facilities. Under section 201, sums appropriated for this purpose are available for grants only during the year for which they are appropriated. Subsection (d) of the bill would amend section 201 so that sums appropriated pursuant to it would remain available indefinitely until expended for grants under title II.

Subsection (e). Two-year availability of title III funds.—Title III of the Higher Education Facilities Act of 1963 authorizes loans for the construction of academic facilities. Under section 303(c), sums appropriated for this purpose are available for loans only during the year for which they are appropriated. Subsection (e) of the bill would amend section 303(c) so that sums appropriated pursuant to it would remain available for an additional fiscal year for making loans under title III.

Subsection (f). Coordination with part A (grants for expansion and improvement of nurse training) of title VIII of the Public Health Service Act.—Section 401 of the Higher Education Facilities Act of 1963, defines the term “academic facilities” so as to exclude facilities to be used by a school of nursing, a school of medicine, and other schools for which construction assistance is provided under other acts of Congress. Schools of nursing formerly received construction assistance under part B of title VII of the Public Health Service Act, but since June 30, 1965, this assistance has been provided under part A of the recently enacted title VIII of the Public Health Service Act. Subsection (f) would amend section 401 of the Higher Education Facilities Act of 1963, so as to reflect this change and thereby continue the policy of the Congress that particular classes of schools should receive particular types of assistance under only one act of Congress.

TITLE VIII—GENERAL PROVISIONS

Section 801. Definitions

This section sets out the definition of various terms used in this act.

Section 802. Method of payment

This section provides that payments made under this act may be made in installments, and in advance or by way of reimbursement, and, in the case of grants or loans, with necessary adjustments on account of overpayments or underpayments.

Section 803. Federal administration

Subsection (a) authorizes the Commissioner to delegate any of his functions under this act, except the making of regulations, to any officer or employee of the Office of Education.

Subsection (b) authorizes the Commissioner to utilize the services and facilities of any agency of the Federal Government and of any other public or nonprofit agency or institution, in accordance with agreements between the Secretary of Health, Education, and Welfare and the head thereof.

Subsection (c) authorizes the Commissioner of Education, in carrying out his functions under this or any other act, to contract for the publication of educational and related information so as to further the full dissemination of information of educational value consistent with the national interest, without regard to the provisions of 44 U.S.C. 111. These provisions require that all printing for departments and agencies of the Federal Government be done at the Government Printing Office. Subsection (c) is patterned after section 11(g) of the National Science Foundation Act of 1950 (42 U.S.C. 1870(g)) and it is intended to extend to the Commissioner of Education the same publication authority as is now possessed by the National Science Foundation.

Section 804. Federal control of education prohibited

This section provides that no department, agency, officer, or employee of the United States is authorized by this act to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution, or over the selection of library resources by any educational institution. This section provides explicitly that this act is not to be construed as conferring any such authority.

DISTRIBUTION OF PAYMENTS GOVERNED BY FORMULAS

The following table sets forth the distribution of funds on a State-by-State basis:

Estimated Federal payments under S. 600, the Higher Education Act of 1965

	Title I— University extension and continuing education ¹	Title IV			
		A. Scholar- ships ²	C. College work-study ²	D. Amendment to NDEA	
				Grants to public schools ³	Loans to private schools ⁴
United States and outly- ing areas	\$20,000,000	\$70,000,000	\$129,000,000	\$8,800,000	\$1,200,000
50 States and District of Columbia	19,626,115	68,600,000	126,420,000	8,640,000	1,185,534
Alabama	360,004	1,643,951	3,029,566	225,583	5,893
Alaska	118,869	53,051	97,765	10,764	413
Arizona	216,755	619,135	1,140,977	88,087	6,220
Arkansas	246,483	1,016,907	1,874,014	119,766	2,405
California	1,450,697	5,665,025	10,439,829	574,835	77,129
Colorado	247,716	729,520	1,344,400	90,774	8,522
Connecticut	309,097	734,630	1,353,818	78,990	21,769
Delaware	136,967	141,896	261,495	15,231	3,780
Florida	525,972	1,820,776	3,355,431	257,293	17,095
Georgia	424,774	1,849,080	3,407,591	272,340	5,189
Hawaii	152,756	237,813	438,256	36,224	6,048
Idaho	152,910	270,690	498,841	44,361	1,752
Illinois	899,574	3,126,080	5,760,921	337,903	103,107
Indiana	468,057	1,644,476	3,030,536	231,112	25,136
Iowa	312,178	1,185,614	2,184,918	137,104	19,089
Kansas	270,743	920,246	1,695,883	107,839	10,120
Kentucky	340,750	1,430,189	2,635,634	196,912	17,267
Louisiana	363,008	1,692,334	3,118,731	232,316	27,800
Maine	175,937	336,189	619,550	53,374	7,062
Maryland	358,156	1,006,128	1,854,151	143,069	26,872
Massachusetts	507,874	1,811,729	3,338,757	170,172	51,494
Michigan	718,511	2,688,570	4,954,651	402,361	66,098
Minnesota	368,938	1,436,010	2,646,360	183,133	33,023
Mississippi	276,057	1,415,355	2,608,297	159,446	3,746
Missouri	437,636	1,711,985	3,154,942	177,670	32,680
Montana	153,988	275,943	508,523	40,030	4,089
Nebraska	213,059	605,519	1,115,886	69,282	11,134
Nevada	129,959	77,226	142,314	11,422	791
New Hampshire	149,598	210,284	387,522	30,260	6,942
New Jersey	604,759	1,517,264	2,796,100	199,287	58,263
New Mexico	175,937	411,733	758,766	69,750	5,326
New York	1,462,865	5,012,917	9,238,091	485,361	164,858
North Carolina	468,673	2,430,546	4,479,148	312,666	3,814
North Dakota	149,675	336,194	619,559	40,330	4,055
Ohio	870,155	3,101,355	5,715,356	465,958	74,826
Oklahoma	287,995	1,091,921	2,012,255	128,163	4,227
Oregon	242,633	689,180	1,270,059	87,512	6,907
Pennsylvania	979,901	3,633,569	6,696,149	471,322	120,375
Rhode Island	168,698	287,089	529,065	34,890	10,360
South Carolina	292,847	1,301,604	2,398,671	175,319	3,127
South Dakota	154,527	351,698	648,128	43,136	4,588
Tennessee	388,577	1,806,992	3,330,027	230,556	6,185
Texas	887,714	4,162,430	7,670,763	585,466	29,432
Utah	174,782	476,681	878,458	65,259	1,220
Vermont	131,191	178,728	329,370	22,047	3,539
Virginia	429,780	1,577,666	2,907,412	237,289	11,013
Washington	328,043	1,069,233	1,970,444	134,416	11,374
West Virginia	239,629	855,236	1,576,076	114,607	3,436
Wisconsin	413,145	1,477,453	2,722,735	201,808	50,188
Wyoming	126,108	122,845	226,387	17,728	756
District of Columbia	161,458	351,315	647,422	19,477	5,000
Outlying areas	373,885	1,400,000	2,580,000	160,000	14,466
American Samoa	26,625				257
Canal Zone					138
Guam	30,114				996
Puerto Rico	289,458				12,457
Virgin Islands	27,688				618

¹ Estimated distribution of 80 percent of \$25,000,000, with a basic amount of \$100,000 to the 50 States, District of Columbia, and Puerto Rico; \$25,000 to American Samoa, Guam, and the Virgin Islands; and the remainder distributed on the basis of the total resident population, July 1, 1963 (P-25, No. 294, Nov. 5, 1964).

² Estimated distribution of \$70,000,000 and \$129,000,000 (2 percent reserved for distribution to the outlying areas) with $\frac{1}{4}$ distributed on the basis of 1962-63 total high school graduates (table, rev. Mar. 31, 1964); $\frac{1}{4}$ on the basis of fall 1964 full-time degree-credit enrollment in institutions of higher education; $\frac{1}{4}$ on the basis of the estimated "related children under 18" in families with incomes of less than \$3,000 per annum (PC (1) D series, 1960 census, table 140).

³ Estimated distribution of additional amount of \$10,000,000 with 1.6 percent reserved for allotment to the outlying areas and 12 percent reserved for loans to nonprofit private schools; the balance (\$3,640,000) distributed on the basis of the products of the NDEA allotment ratios for fiscal year 1966 and 1967 and the 5-17 population, July 1, 1963.

⁴ Estimated distribution of 12 percent of \$10,000,000 on the basis of nonpublic school enrollment.

Estimated Federal payments under S. 600, the Higher Education Act of 1965—Con.

	Title VI—Improvement of undergraduate instruction ⁵		Title VII—Amendment to title I, Public Law 88-204	
	A. Equipment and minor remodeling	B. TV equipment and minor remodeling	A. Public community colleges and public technical institutes ⁶	B. Institutions of higher education other than public community colleges and public technical institutes ⁶
United States and outlying areas.....	\$35,000,000	\$2,500,000	\$22,000,000	\$78,000,000
50 States and the District of Columbia....	34,707,565	2,479,112	21,730,816	77,290,752
Alabama.....	491,672	35,119	479,821	1,162,338
Alaska.....	18,199	1,300	15,466	59,917
Arizona.....	415,680	29,692	179,304	759,008
Arkansas.....	325,725	23,266	299,221	702,640
California.....	3,982,867	284,491	1,694,955	8,562,558
Colorado.....	455,607	32,543	220,687	926,299
Connecticut.....	391,616	27,973	231,481	1,043,627
Delaware.....	62,734	4,481	36,902	180,772
Florida.....	869,972	62,141	615,930	1,916,473
Georgia.....	588,326	42,024	541,000	1,412,113
Hawaii.....	109,269	7,805	95,373	272,675
Idaho.....	144,753	10,339	108,189	307,555
Illinois.....	1,606,929	114,780	919,975	4,052,356
Indiana.....	916,944	65,496	571,952	2,024,024
Iowa.....	608,577	43,469	384,601	1,259,740
Kansas.....	545,024	38,930	301,910	1,043,745
Kentucky.....	540,351	38,597	429,455	1,141,104
Louisiana.....	697,290	49,807	501,009	1,381,443
Maine.....	143,613	10,259	136,452	356,057
Maryland.....	495,367	35,383	332,709	1,268,369
Massachusetts.....	1,179,636	84,260	552,653	2,473,731
Michigan.....	1,522,821	108,773	937,864	3,492,842
Minnesota.....	792,584	56,613	524,275	1,660,516
Mississippi.....	435,762	31,126	312,723	865,415
Missouri.....	822,666	58,762	469,962	1,802,114
Montana.....	146,853	10,490	97,128	310,948
Nebraska.....	315,603	22,543	185,845	650,015
Nevada.....	33,817	2,415	24,697	123,183
New Hampshire.....	131,689	9,407	85,075	280,563
New Jersey.....	641,177	45,799	617,303	2,038,712
New Mexico.....	193,365	13,812	132,943	425,107
New York.....	2,884,365	206,026	1,519,275	6,869,899
North Carolina.....	874,232	62,445	657,924	1,867,697
North Dakota.....	169,309	12,093	108,742	316,036
Ohio.....	1,658,946	118,496	1,153,383	4,000,090
Oklahoma.....	605,642	43,261	349,625	1,139,604
Oregon.....	432,915	30,922	245,346	913,693
Pennsylvania.....	1,786,082	127,577	1,476,156	4,362,585
Rhode Island.....	186,937	13,353	101,419	366,879
South Carolina.....	356,617	25,472	363,604	848,594
South Dakota.....	163,092	11,649	111,068	319,922
Tennessee.....	733,538	52,396	519,298	1,433,910
Texas.....	1,941,857	138,704	1,115,794	3,986,698
Utah.....	399,888	28,563	141,543	648,810
Vermont.....	109,919	7,851	56,717	200,700
Virginia.....	606,243	43,303	472,994	1,421,741
Washington.....	667,081	47,649	379,509	1,433,444
West Virginia.....	322,343	23,024	289,724	727,224
Wisconsin.....	826,789	59,056	557,115	1,815,717
Wyoming.....	67,522	4,823	38,199	150,221
District of Columbia.....	287,760	20,554	36,521	511,329
Outlying areas.....	292,435	20,888	269,184	709,248
American Samoa.....			3,013	5,524
Canal Zone.....				
Guam.....	6,862	490	9,192	23,121
Puerto Rico.....	284,825	20,344	253,241	672,965
Virgin Islands.....	748	54	3,738	7,638

⁵ Estimated distribution of \$35,000,000 and \$2,500,000 with 1/2 distributed on the basis of the total full-time and full-time equivalent degree-credit and nondegree-credit enrollment in institutions of higher education, fall 1964 and 1/2 on the basis of State products of fiscal year 1966 allotment ratios (Public Law 88-204) and this fall 1964 enrollment.

⁶ Estimated distribution of additional amount of \$100,000,000 under title I, Public Law 88-204. 22 percent distributed on the basis of the fiscal year 1966 allotment ratios and the total high school graduates for public community colleges and public technical institutes; 78 percent distributed with 1/2 distributed on the basis of enrollment as in footnote 5, and 1/2 distributed on the basis of the total public and nonpublic grade 9-12 enrollment, fall 1964.

Department of Health, Education, and Welfare, Office of Education—Higher Education Act of 1965 (based on Senate report)

New obligational authority	1966	1967	1968	1969	1970
Title I—College and university:					
Extension and continuing education.....	\$25,000,000	\$50,000,000	\$50,000,000	\$50,000,000	\$50,000,000
Title II—College assistance and library training and research:					
Part A—College library resources.....	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000
Part B—Library training and research.....	7,500,000	15,000,000	15,000,000	15,000,000	15,000,000
Part C—Cataloging of library materials.....	5,000,000	6,315,000	7,770,000	7,770,000	7,770,000
Subtotal.....	62,500,000	71,315,000	72,770,000	72,770,000	72,770,000
Title III—Strengthening developing institutions:					
4-year institutions.....	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000
2-year institutions.....	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000
Grants at discretion of Commissioner.....	5,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Subtotal.....	55,000,000	60,000,000	60,000,000	60,000,000	60,000,000
Title IV—Student assistance:					
Part A—Undergraduate scholarships.....	70,000,000	140,000,000	210,000,000	280,000,000	280,000,000
Part B—Federal, State, and private programs of low-interest insured loans to students in institutions of higher education.....	20,000,000	35,000,000	49,500,000	42,000,000	42,000,000
Part C—College work-study program extension and amendments.....	129,000,000	165,000,000	200,000,000	235,000,000	235,000,000
Part D—Amendments to National Defense Education Act of 1958:					
Title II.....	10,000,000	5,280,000	10,550,000	18,540,000	25,840,000
Title III.....	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Title XI.....	17,250,000	17,250,000	17,250,000	17,250,000	17,250,000
Subtotal.....	246,250,000	372,530,000	497,300,000	575,540,000	582,840,000

Title V—Teacher programs:					
Part B—National Teacher Corps.....					
Part C—Fellowships for teachers.....					
Part D—Grants to institutions of higher education for improved teacher education.....					
Subtotal.....	36,100,000	64,715,000	64,715,000	64,715,000	64,715,000
	34,200,000	110,560,000	190,800,000	190,800,000	190,800,000
	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Subtotal.....	75,300,000	180,275,000	260,515,000	260,515,000	260,515,000
Title VI—Financial assistance for the improvement of undergraduate institutions:					
Part A—Equipment:					
(a) Equipment.....					
(b) Television equipment.....					
(c) State administration.....					
Part B—Faculty development programs.....					
Subtotal.....	35,000,000	50,000,000	60,000,000	60,000,000	60,000,000
	2,500,000	10,000,000	10,000,000	10,000,000	10,000,000
	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Subtotal.....	43,500,000	66,000,000	76,000,000	76,000,000	76,000,000
Title VII—Amendments to Higher Education Facilities Act.....					
Subtotal.....	160,000,000				
	667,550,000	800,120,000	1,016,585,000	1,094,825,000	1,102,125,000
Administration:					
Personnel compensation.....					
Other.....					
Subtotal.....	3,400,000	5,000,000	5,100,000	5,100,000	5,100,000
	1,100,000	1,600,000	1,700,000	1,700,000	1,700,000
Subtotal.....	4,500,000	6,600,000	6,800,000	6,800,000	6,800,000
Total new obligatory authority.....					
	672,050,000	806,720,000	1,023,385,000	1,101,625,000	1,108,925,000
Number of positions.....	450	520	520	520	520
Man-years of employment.....	340	490	505	505	505

CHANGES IN EXISTING LAW

In compliance with subsection 4 of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

ECONOMIC OPPORTUNITY ACT OF 1964

TITLE I—YOUTH PROGRAMS

* * * * *

PART C—WORK-STUDY PROGRAMS

STATEMENT OF PURPOSE

SEC. 121. The purpose of this part is to stimulate and promote the part-time employment of students, *particularly students from low-income families*, in institutions of higher education who are [from low-income families and are] in need of the earnings from such employment to pursue courses of study at such institutions.

ALLOTMENTS TO STATES

SEC. 122. (a) From the sums appropriated to carry out this title for a fiscal year, the [Director] *Commissioner of Education (hereinafter in this part referred to as the "Commissioner")* shall reserve the amount needed for making grants under section 123. Not to exceed 2 per centum of the amount so reserved shall be allotted by the [Director] *Commissioner* among Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Virgin Islands according to their respective needs for assistance under this part. The remainder of the sums so reserved shall be allotted among the States as provided in subsection (b).

(b) Of the sums being allotted under this subsection—

(1) one-third shall be allotted by the [Director] *Commissioner* among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of persons enrolled on a full-time basis in institutions of higher education in such State bears to the total number of persons enrolled on a full-time basis in institutions of higher education in all the States,

(2) one-third shall be allotted by the [Director] *Commissioner* among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of high school graduates (as defined in section 103(d)(3) of the Higher Education Facilities Act of 1963) of such State bears to the total number of such high school graduates of all the States, and

(3) one-third shall be allotted by him among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of related children under eighteen years of age living in families with annual incomes of less than \$3,000 in such State bears to the

number of related children under eighteen years of age living in families with annual incomes of less than \$3,000 in all the States.

(c) The amount of any State's allotment which has not been granted to an institution of higher education under section 123 at the end of the fiscal year for which appropriated shall be reallocated by the **[Director]** *Commissioner*, in such manner as he determines will best assist in achieving the purposes of this Act. Amounts reallocated under this subsection shall be available for making grants under section 123 until the close of the fiscal year next succeeding the fiscal year for which appropriated.

(d)

* * * * *

GRANTS FOR WORK-STUDY PROGRAMS

SEC. 123. The **[Director]** *Commissioner* is authorized to enter into agreements with institutions of higher education **[as defined by section 401(f) of the Higher Education Facilities Act of 1963 (P.L. 88-204)]** under which the **[Director]** *Commissioner* will make grants to such institutions to assist in the operation of work-study programs as hereinafter provided.

(b) *For the purposes of this part—*

(1) The term "institution of higher education" means an educational institution in any State which (A) admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such certificate, (B) is legally authorized within such State to provide a program of education beyond secondary education, (C) provides an educational program for which it awards a bachelor's degree or provides not less than a two-year program which is acceptable for full credit toward such a degree, (D) is a public or other nonprofit institution, and (E) is accredited by a nationally recognized accrediting agency or association approved by the Commissioner for this purpose or, if not so accredited, (i) is an institution with respect to which the Commissioner has determined that there is satisfactory assurance, considering the resources available to the institution, the period of time, if any during which it has operated, the effort it is making to meet accreditation standards and the purpose for which this determination is being made, that the institution will meet the accreditation standards of such an agency or association within a reasonable time, or (ii) is an institution whose credits are accepted on transfer by not less than three institutions which are so accredited, for credit on the same basis as if transferred from an institution so accredited. Such term also includes any public or other nonprofit collegiate or associate degree school of nursing and any school which provides not less than a one-year program of training to prepare students for gainful employment in a recognized occupation and which meets the provisions of clauses (A), (B), (D), and (E). If the Commissioner determines that a particular category of such schools does not meet the requirements of clause (E) because there is no nationally recognized accrediting agency or association qualified to accredit schools in such category, he shall, pending the establishment of such an accrediting agency or association, appoint an advisory committee, composed of persons specially qualified to evaluate training provided by schools in such category, which shall (I) prescribe the standards of content, scope, and quality which must be met in order to qualify schools in such category to participate in the program pursuant to this part, and (II) determine

whether particular schools not meeting the requirements of clause (E) meet those standards. For purposes of this subsection, the Commissioner shall publish a list of nationally recognized accrediting agencies which he determines to be reliable authority as to the quality of training offered.

(2) The term "collegiate school of nursing" means a department, division, or other administrative unit in a college or university which provides primarily or exclusively an accredited program of education in professional nursing and allied subjects leading to the degree of bachelor of arts, bachelor of science, bachelor of nursing, or to an equivalent degree, or to a graduate degree in nursing.

(3) The term "associate degree school of nursing" means a department, division, or other administrative unit in a junior college, community college, college, or university which provides primarily or exclusively an accredited two-year program of education in professional nursing and allied subjects leading to an associate degree in nursing or to an equivalent degree.

(4) The term "accredited" when applied to any program of nurse education means a program accredited by a recognized body or bodies approved for such purpose by the Commissioner.

CONDITIONS OF AGREEMENTS

SEC. 124. An agreement entered into pursuant to section 123 shall—

[(a) provide for the operation by the institution of a program for the part-time employment of its students in work—

[(1) for the institution itself, or

[(2) for a public or private nonprofit organization when the position is obtained through an arrangement between the institution and such an organization and—

[(A) the work is related to the student's educational objective, or

[(B) such work (i) will be in the public interest and is work which would not otherwise be provided, (ii) will not result in the displacement of employed workers or impair existing contracts for services, and (iii) will be governed by such conditions of employment as will be appropriate and reasonable in light of such factors as the type of work performed, geographical region, and proficiency of the employee:

Provided, however, That no such work shall involve the construction, operation, or maintenance of so much of any facility used or to be used for sectarian instruction or as a place for religious worship;]

(a) provide for the operation by the institution of a program for the part-time employment of its students in work for the institution itself or work in the public interest for a public or private nonprofit organization under an arrangement between the institution and such organization, and such work

(1) would not otherwise be performed by nonstudents,

(2) will not result in the displacement of employed workers or impair existing contracts and services, and

(3) will be governed by such conditions of employment as will be appropriate and reasonable in light of such factors as type of work performed, geographical region, and proficiency of the employee: *Provided,* That no such work shall involve the

construction, operation, or maintenance of so much of any facility used or to be used for sectarian instruction or as a place for religious worship;

(b) provide that funds granted an institution of higher education, pursuant to section 123 may be used only to make payments to students participating in work-study programs, except that an institution may use a portion of the sums granted to it to meet administrative expenses, but the amount so used may not exceed 5 per centum of the payments made by the **[Director]** *Commissioner* to such institution for that part of the work-study program in which students are working for public or nonprofit organizations other than the institution itself;

(c) provide that **[employment under such work-study program shall be furnished only to a student who (1) is from a low-income family,]** *in the selection of students for employment under such work-study program preference shall be given to students from low-income families and that employment under such work-study program shall be furnished only to a student who* **[(2)]** *(1) is in need of the earnings from such employment in order to pursue a course of study at such institution, [(3)] (2) is capable, in the opinion of the institution, of maintaining good standing in such course of study while employed under the program covered by the agreement, and [(4)] (3) has been accepted for enrollment as a full-time student at the institution or, in the case of a student already enrolled in and attending the institution, is in good standing and in full-time attendance there either as an undergraduate, graduate, or professional student;*

* * * * *

(h) include such other provisions as the **[Director]** *Commissioner* shall deem necessary or appropriate to carry out the purposes of this part.

SOURCES OF MATCHING FUNDS

SEC. 125. Nothing in this part shall be construed as restricting the source (other than this part) from which the institution may pay its share of the compensation of a student employed under a work-study program covered by an agreement under this part, *and such share may be paid to such student in the form of services and equipment (including tuition, room, board, and books) furnished by such institution.*

EQUITABLE DISTRIBUTION OF ASSISTANCE

SEC. 126. The **[Director]** *Commissioner* shall establish criteria designed to achieve such distribution of assistance under this part among institutions of higher education within a State as will most effectively carry out the purposes of this Act.

PART D—AUTHORIZATION OF APPROPRIATIONS

SEC. 131. The **[Director]** *Commissioner* shall carry out the programs **[provided for in]** *for which he is responsible under this title during the fiscal year ending June 30, 1965, and the two succeeding fiscal years. For the purpose of carrying out this title, there is hereby authorized to be appropriated the sum of \$412,500,000 for the fiscal year ending*

June 30, 1965; and for the fiscal year ending June 30, 1966, and the fiscal year ending June 30, 1967, such sums may be appropriated as the Congress may hereafter authorize by law.

* * * * *

NATIONAL DEFENSE EDUCATION ACT OF 1958

TITLE I—GENERAL PROVISIONS

* * * * *

DEFINITIONS

SEC. 103. As used in this Act—

(a) The term "State" means a State, Puerto Rico, the District of Columbia, the Canal Zone, Guam, American Samoa, or the Virgin Islands, except that as used in sections 302 and 502, such term does not include Puerto Rico, the Canal Zone, Guam, American Samoa, or the Virgin Islands.

(b) The term "institution of higher education" means an educational institution in any State which (1) admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such [a] certificate, (2) is legally authorized within such State to provide a program of education beyond secondary education, (3) provides an educational program for which it awards a bachelor's degree or provides not less than a two-year program which is acceptable for full credit toward such a degree, (4) is a public or other nonprofit institution, and (5) is accredited by a nationally recognized accrediting agency or association, *approved by the Commissioner for this purpose* or, if not so accredited, *(A) is an institution with respect to which the Commissioner has determined that there is satisfactory assurance, considering the resources available to the institution, the period of time, if any, during which it has operated, the effort it is making to meet accreditation standards, and the purpose for which this determination is being made, that the institution will meet the accreditation standards of such an agency or association within a reasonable time, or (B) is an institution whose credits are accepted [.] on transfer [.] by not less than three institutions which are so accredited, for credit on the same basis as if transferred from an institution so accredited.* For purposes of title II, such term includes any [business school or technical institution] *school of nursing as defined in subsection (l) of this section, and also includes any school which provides not less than a one-year program of training to prepare students for gainful employment in a recognized occupation and which meets the provisions of clauses (1), (2), (4), and (5) [., and includes any school of nursing as defined in subsection (1) of this section].* *If the Commissioner determines that a particular category of such schools does not meet the requirements of clause (5) because there is no nationally recognized accrediting agency or association qualified to accredit schools in such category, he shall, pending the establishment of such an accrediting agency or association, appoint an advisory committee, composed of persons specially qualified to evaluate training provided by schools in such category, which shall (i) prescribe the standards of content, scope, and quality which must be met in order to qualify schools in such category to participate in the student loan program under title II, and (ii) de-*

termine whether particular schools not meeting the requirements of clause (5) meet those standards. For purposes of this subsection, the Commissioner shall publish a list of nationally recognized accrediting agencies which he determines to be reliable authority as to the quality of training offered. [For purposes of this subsection, the Commissioner shall publish a list of nationally recognized accrediting agencies or associations which he determines to be reliable authority as to the quality of training offered.]

* * * * *

TITLE II—LOANS TO STUDENTS IN INSTITUTIONS OF HIGHER EDUCATION

* * * * *

CONDITIONS OF AGREEMENTS

SEC. 204. An agreement with any institution of higher education for Federal capital contributions by the Commissioner under this title shall—

(1) provide for establishment of a student loan fund by such institution;

(2) provide for deposit in such fund of (A) the Federal capital contributions, (B) an amount, equal to not less than one-ninth of such Federal contributions, contributed by such institution, (C) collections of principal and interest on student loans made from such fund, [and (D)] *(D) charges collected pursuant to section 205(c), and (E) any other earnings of the fund;*

(3) provide that such student loan fund shall be used only for (A) loans to students in accordance with such agreement, [for] (B) capital distributions as provided in this title, (C) *routine expenses incurred by the institution in administering the student loan fund, except that the amount used for these expenses by an institution in any fiscal year may not exceed either (i) one-half of such expenses as estimated for that year by the Commissioner with the advice of an advisory committee with the Commissioner is hereby authorized to appoint on an annual or such other basis as he may deem appropriate, or (ii) 1 per centum of the aggregate of the outstanding loans made from that fund as of the close of that year, whichever is the lesser, and (D) costs of litigation, and other collection costs agreed to by the Commissioner, arising in connection with the collection of any loan from the fund, interest on such loan, or charge assessed with respect to that loan pursuant to section 205(c);* [and for costs of litigation arising in connection with the collection of any loan from the fund or interest on such loan];

(4) provide that in the selection of students to receive loans from such student loan fund special consideration shall be given to students with a superior academic background; and

(5) include such other provisions as may be necessary to protect the financial interest of the United States and promote the purpose of this title and as are agreed to by the Commissioner and the institution.

TERMS OF LOANS

SEC. 205. (a) * * *

(b) Loans from any such loan fund to any student by any institution of higher education shall be made on such terms and conditions as the institution may determine; subject, however, to such conditions, limitations, and requirements as the Commissioner may prescribe (by regulation or in the agreement with the institution) with a view to preventing impairment of the capital of the student loan fund to the maximum extent practicable in the light of the objective of enabling the student to complete his course of study; and except that—

* * * * * * *

(2) [such a loan shall be evidenced by a note or other written agreement which provides for repayment of the principal amount, together with interest thereon, in equal annual installments, or, if the borrower so requests, in graduated periodic installments (determined in accordance with such schedules as may be approved by the Commissioner), over a period beginning one year after the date on which the borrower ceases to pursue a full-time course of study at an institution of higher education and ending eleven years after such date, except that (A) interest shall not accrue on any such loan, and periodic installments need not be paid, during any period (i) during which the borrower is pursuing a full-time course of study at an institution of higher education or at a comparable institution outside the States approved for this purpose by the Commissioner,] *such a loan shall be evidenced by a note or other written agreement which provides for repayment of the principal amount, together with interest thereon, in equal (or, if the borrower so requests, in graduated periodic installments determined in accordance with such schedules as may be approved by the Commissioner) quarterly, bimonthly, or monthly installments (at the option of the institution) over a period beginning nine months after the date on which the borrower ceases to carry, at an institution of higher education or at a comparable institution outside the States approved for this purpose by the Commissioner, at least one-half the normal full-time academic workload as determined by that institution, and ending ten years and nine months after such date, except that (A) interest shall not accrue on any such loan, and installments need not be paid during any period (i) during which the borrower is carrying, at an institution of higher education or at a comparable institution outside the States approved for this purpose by the Commissioner, at least one-half the normal full-time academic workload as determined by the institution, (ii) not in excess of three years, during which the borrower is a member of the Armed Forces of the United States, or (iii) not in excess of three years during which the borrower is in service as a volunteer under the Peace Corps Act: Provided: That this clause shall apply to any loan outstanding on the effective date of the Peace Corps Act only with the consent of the then obligee institution, (B) any such period shall not be included in determining the ten-year period during which the repayment must be completed, (C) such ten-year period may also be extended for good cause determined in accordance with regulations of the Commissioner, (D) the institution may provide that [periodic] installments need not be paid during any period or periods, aggregating not in excess of three years,*

during which the borrower is in **[part-time]** *less than half-time* attendance at an institution of higher education taking courses which are creditable toward a degree, and may also provide that any such period shall not be included in determining the ten-year period during which the repayment must be completed, but interest shall continue to accrue during any such period, **[and]** (E) the borrower may at his option accelerate repayment of the whole or any part of such loan and (F) *the institution may provide, in accordance with regulations of the Commissioner, that during the repayment period of the loan payments of principal and interest by the borrower with respect to all the outstanding loans made to him from loan funds established pursuant to this title shall be at a rate equal to not less than \$15 per month;*

(3) not to exceed 50 per centum of any such loan (plus interest) shall be canceled for service as a full-time teacher in a public or other nonprofit elementary or secondary school in a State, in an institution of higher education, or in an elementary or secondary school overseas of the Armed Forces of the United States, at the rate of 10 per centum of the *total* amount of such loan plus interest thereon **[which was unpaid on the first day of such service]** for each complete academic year or *its equivalent (as determined under regulations of the Commissioner)* of such service, except that (A) *such rate shall be 15 per centum for each complete academic year or its equivalent (as determined under regulations of the Commissioner) of service as a full-time teacher in a public or other nonprofit elementary or secondary school which is in the school district of a local educational agency which is eligible in such year for assistance pursuant to title II of the Act of September 30, 1950, as amended, and which for purposes of this clause and for that year has been determined by the Commissioner, pursuant to regulations and after consultation with the State educational agency of the State in which the school is located, to be a school in which there is a high concentration of students from low-income families, except that the Commissioner shall not make such determination with respect to more than 25 per centum of the total of the public and other nonprofit elementary and secondary schools in any one State for any one year, and (B) for the purposes of any cancellation pursuant to clause (A), an additional 50 per centum of any such loan (plus interest) may be canceled;*

* * * * * *

(c) Pursuant to regulations of the Commissioner, an institution may assess a charge with respect to a loan from the loan fund established by the institution pursuant to this title for failure of the borrower to pay all or any part of an installment when it is due and, in the case of a borrower who is entitled to deferment benefits under section 205(b)(2) or cancellation benefits under section 205(b)(3), for any failure to file timely and satisfactory evidence of such entitlement. The amount of any such charge may not exceed—

(1) in the case of a loan which is repayable in monthly installments, \$1 for the first month or part of a month by which such installment or evidence is late and \$2 for each such month or part of a month thereafter; and

(2) in the case of a loan which has a bimonthly or quarterly repayment interval, \$3 and \$6, respectively, for each such interval or part thereof by which such installment or evidence is late.

The institution may elect to add the amount of any such charge to the principal amount of the loan as of the first day after the day on which such installment or evidence was due, or to make the amount of the charge payable to the institution not later than the due date of the next installment after receipt by the borrower of notice of the assessment of the charge.

[(c)] (d) * * *

TITLE III—FINANCIAL ASSISTANCE FOR STRENGTHENING INSTRUCTION IN SCIENCE, MATHEMATICS, MODERN FOREIGN LANGUAGES, AND OTHER CRITICAL SUBJECTS

APPROPRIATIONS AUTHORIZED

SEC. 301. There are hereby authorized to be appropriated \$70,000,000 for the fiscal year ending June 30, 1959, and for each of the five succeeding fiscal years, [and \$90,000,000 for the fiscal year ending June 30, 1965, and for each of the three succeeding fiscal years] *\$90,000,000 for the fiscal year ending June 30, 1965, and \$100,000,000 or the fiscal year ending June 30, 1966, and for each of the two succeeding fiscal years*, for (1) making payments to State educational agencies under this title for the acquisition of equipment and for minor remodeling, described in paragraph (1) of section 303(a), and (2) making loans authorized in section 305. There are also authorized to be appropriated \$5,000,000 for the fiscal year ending June 30, 1959, and for each of the five succeeding fiscal years, and \$10,000,000 for the fiscal year ending June 30, 1965, and for each of the three succeeding fiscal years, for making payments to State educational agencies under this title to carry out the programs described in paragraph (5) of section 303(a).

* * * * *

STATE PLANS

SEC. 303. (a) Any State which desires to receive payments under this title shall submit to the Commissioner, through its State educational agency, a State plan which meets the requirements of section 1004(a) and—

(1) sets forth a program under which funds paid to the State from its allotment under section 302(a) will be expended solely for projects approved by the State educational agency for (A) acquisition of laboratory and other special equipment (other than supplies consumed in use), including audiovisual materials and equipment, and printed and published materials (other than textbooks), suitable for use in providing education in science, mathematics, history, civics, geography, *economics*, modern foreign language, English, or reading in public elementary or secondary schools, or both, and of testgrading equipment for such schools and specialized equipment for audiovisual libraries serving such schools, and such equipment, may, if there exists a critical need therefor in the judgment of local school authorities, be used when available and suitable in providing education in other subject matter, and (B) minor remodeling of laboratory or other space used for such materials or equipment;

(2) sets forth principles for determining the priority of such projects in the State for assistance under this title and pro-

vides for undertaking such projects, insofar as financial resources available therefor make possible, in the order determined by the application of such principles;

(3) provides an opportunity for a hearing before the State educational agency to any applicant for a project under this title;

(4) provides for the establishment of standards on a State level for laboratory and other special equipment acquired with assistance furnished under this title;

(5) sets forth a program under which funds paid to the State from its allotment under section 302(b) will be expended solely for (A) expansion or improvement of supervisory or related services in public elementary and secondary schools in the fields of science, mathematics, history, civics, geography, *economics*, modern foreign languages, English, and reading, and (B) administration of the State plan.

* * * * *

TITLE XI—INSTITUTES

AUTHORIZATION OF INSTITUTES

SEC. 1101. There are authorized to be appropriated \$32,750,000 for the fiscal year ending June 30, 1965, and [each of the three succeeding fiscal years] \$50,000,000 for the fiscal year ending June 30, 1966, and for each of the two succeeding fiscal years to enable the Commissioner to arrange, through grants or contracts, with institutions of higher education for the operation by them of short-term or regular session institutes for advanced study, including study in the use of new materials, to improve the qualification of individuals—

(1) who are engaged in or preparing to engage in the teaching, or supervising or training of teachers, of history, geography, *economics*, *civics*, industrial arts, modern foreign languages, reading, or English in elementary or secondary schools,

(2) who are engaged in or preparing to engage in the teaching of disadvantaged youth and are, by virtue of their service or future service in elementary or secondary schools enrolling substantial numbers of culturally, economically, socially, and educationally handicapped youth, in need of specialized training; except that no institute may be established under this title for teachers of disadvantaged youth unless such institute will offer a specialized program of instruction designed to assist such teachers in coping with the unique and peculiar problems involved in the teaching of such youth,

(3) who are engaged as, or preparing to engage as, library personnel in the elementary or secondary schools, or as supervisors of such personnel, or

(4) who are engaged as, or are preparing to engage as, educational media specialists.

* * * * *

HIGHER EDUCATION FACILITIES ACT OF 1963

* * * * *

TITLE I—GRANTS FOR CONSTRUCTION OF UNDER-GRADUATE ACADEMIC FACILITIES

APPROPRIATIONS AUTHORIZED

SEC. 101. (a) * * *

(b) For the purpose of making grants under this title, there is hereby authorized to be appropriated the sum of \$230,000,000 for the fiscal year ending June 30, 1964, [and each of the two succeeding fiscal years] and for the succeeding fiscal year, and the sum of \$330,000,000 for the fiscal year ending June 30, 1966; but for the fiscal year ending June 30, 1967, and the succeeding fiscal year, only such sums may be appropriated as the Congress may hereafter authorize by law. In addition to the sums authorized to be appropriated under the preceding sentence, there is hereby authorized to be appropriated for the fiscal year ending June 30, 1965, and the succeeding fiscal year, for making such grants the difference (if any) between the sums authorized to be appropriated under the preceding sentence for preceding fiscal years and the aggregate of the sums which were appropriated for such preceding years under such sentence.

* * * * *

ALLOTMENTS TO STATES FOR PUBLIC COMMUNITY COLLEGES AND PUBLIC TECHNICAL INSTITUTES

SEC. 103 (a) * * *

* * * * *

(b) (1) The amount of each allotment to a State under this section shall be available, in accordance with the provisions of this title, for payment of the Federal share (as determined under sections 108(b)(3) and 401(d)) of the development cost of approved projects for the construction of academic facilities within such State for public community colleges and public technical institutes. Sums allotted to a State for the fiscal year ending June 30, 1964, shall remain available for reservation as provided in section 109 until the close of the next fiscal year, in addition to the sums allotted to such State for such next fiscal year.

(2) Notwithstanding other provisions of this title to the contrary, a State's allotment for any fiscal year pursuant to this section shall, at the request of the Governor of such State, be available, in accordance with the provisions of this title, for payment of the Federal share (as determined under sections 108(b)(3) and 401(d)) of the development cost of approved projects for the construction of academic facilities within such State for public institutions of higher education other than public community colleges and public technical institutes.

(c) All amounts allotted under this section for the fiscal year ending June 30, 1965, and the succeeding fiscal year, which are not reserved as provided in section 109 by the close of the fiscal year for which they are allotted, shall be reallotted by the Commissioner, on the basis of such factors as he determines to be equitable and reasonable, among the States which, as determined by the Commissioner, are able to use without delay any amounts so reallotted [for providing

academic facilities for public community colleges or public technical institutes] *for the purposes set forth in subsection (b) of this section.* Amounts reallocated under this subsection shall be available for reservation until the close of the fiscal year next succeeding the fiscal year for which they were originally allotted.

* * * * *

ALLOTMENTS TO STATES FOR INSTITUTIONS OF HIGHER EDUCATION OTHER THAN PUBLIC COMMUNITY COLLEGES AND PUBLIC TECHNICAL INSTITUTES

SEC. 104. (a) * * *

(b) (1) The amount of each allotment to a State under this section shall be available, in accordance with the provisions of this title, for payment of the Federal share (as determined under sections 108(b)(3) and 401(d)) of the development cost of approved projects for the construction of academic facilities within such State for institutions of higher education other than public community colleges and public technical institutes. Sums allotted to a State for the fiscal year ending June 30, 1964, shall remain available for reservation as provided in section 109 until the close of the next fiscal year, in addition to the sums allotted to such State for such next fiscal year.

(2) *Notwithstanding other provisions of this title to the contrary, a State's allotment for any fiscal year pursuant to this section shall, at the request of the Governor of such State, be available, in accordance with the provisions of this title, for payment of the Federal share (as determined under sections 108(b)(3) and 401(d)) of the development cost of approved projects for the construction of academic facilities within such State for public community colleges and public technical institutes.*

(c) All amounts allotted under this section for the fiscal year ending June 30, 1965, and the succeeding fiscal year, which are not reserved as provided in section 109 by the close of the fiscal year for which they are allotted, shall be reallocated by the Commissioner, on the basis of such factors as he determines to be equitable and reasonable, among the States which, as determined by the Commissioner, are able to use without delay any amounts so reallocated [for providing academic facilities for institutions of higher education other than public community colleges and public technical institutes] *for the purposes set forth in subsection (b) of this section.* Amounts reallocated under this subsection shall be available for reservation until the close of the fiscal year next succeeding the fiscal year for which they were originally allotted.

STATE COMMISSIONS AND PLANS

SEC. 105. (a) Any State desiring to participate in the grant program under this title shall designate for that purpose an existing State agency which is broadly representative of the public and of institutions of higher education (including junior colleges and technical institutes) in the State, or, if no such State agency exists, shall establish such a State agency, and submit to the Commissioner through the agency so designated or established (hereinafter in this title referred to as the "State commission"), a State plan for such participation. The Commissioner shall approve any such plan which—

(1) provides that it shall be administered by the State commission;

(2) sets forth, consistently with basic criteria prescribed by regulation pursuant to section 107, objective standards and methods (A) for determining the relative priorities of eligible projects for the construction of academic facilities submitted by institutions of higher education within the State, and (B) for determining the Federal share of the development cost of each such project [other than a project for a public community college or public technical institute] (unless such plan provides for a uniform Federal share for all such projects);

(3) provides that the funds allotted (or reallocated) for any year under section 103 will be available (*except as provided in section 103(b)(2)*) only for use for the construction of academic facilities for public community colleges and public technical institutes, and that funds allotted (or reallocated) for any year to the State under section 104 will be available (*except as provided in section 104(b)(2)*) only for use for the construction of academic facilities for institutions of higher education other than public community colleges and public technical institutes;

* * * * *

ELIGIBILITY FOR GRANTS

SEC. 106. An institution of higher education shall be eligible for a grant for construction of an academic facility under this title [(1) in the case of an institution of higher education other than a public community college or public technical institute, only if such construction is limited to structures, or portions thereof, especially designed for instruction or research in the natural or physical sciences, mathematics, modern foreign languages, or engineering, or for use as a library, and (2)] only if such construction will, either alone or together with other construction to be undertaken within a reasonable time, [(A)] (1) result in an urgently needed substantial expansion of the institution's student enrollment capacity *or capacity to carry out extension and continuing education programs*, or [(B)] (2) in the case of a new institution of higher education, result in creating urgently needed enrollment capacity *or capacity to carry out extension and continuing education programs*.

BASIC CRITERIA FOR DETERMINING PRIORITIES AND FEDERAL SHARE

SEC. 107. (a) * * *

(b) The Commissioner shall further prescribe by regulation the basic criteria for determining the Federal share of the development cost of any eligible project under this title within a State [other than a project for a public community college or public technical institute], to which criteria the applicable standards and methods set forth in the State plan for such State shall conform in the absence of a uniform statewide Federal share specified in or pursuant to such plan. In the case of a project for an institution of higher education other than a public community college or public technical institute, the Federal share shall in no event exceed 33½ per centum of its development cost; and in the case of a project for a public community college or public technical institute, the Federal share shall [be] *in no event exceed 40 per centum of its development cost*.

* * * * *

TITLE II—GRANTS FOR CONSTRUCTION OF GRADUATE ACADEMIC FACILITIES

APPROPRIATIONS AUTHORIZED

SEC. 201. In order to increase the supply of highly qualified personnel critically needed by the community, industry, government, research, and teaching, the Commissioner shall, during the fiscal year ending June 30, 1964, and each of the four succeeding fiscal years, make construction grants to assist institutions of higher education to improve existing graduate schools and cooperative graduate centers, and to assist in the establishment of graduate schools and cooperative graduate centers of excellence. For the purpose of making grants under this title, there is hereby authorized to be appropriated the sum of \$25,000,000 for the fiscal year ending June 30, 1964, [and the sum of \$60,000,000 each for the fiscal year ending June 30, 1965, and the succeeding fiscal year] *the sum of \$60,000,000 for the fiscal year ending June 30, 1965, and the sum of \$120,000,000 for the fiscal year ending June 30, 1966*; but for the fiscal year ending June 30, 1967, and the succeeding fiscal year, only such sums may be appropriated as the Congress may hereafter authorize by law. Sums so appropriated [for the fiscal year ending June 30, 1964,] shall remain available *until expended* for grants under this title [until the end of the next succeeding fiscal year].

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TITLE III—LOANS FOR CONSTRUCTION OF ACADEMIC FACILITIES

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ELIGIBILITY CONDITIONS, AMOUNTS, AND TERMS OF LOANS

SEC. 303. (a) * * *

(c) The Commissioner shall, during the fiscal year ending June 30, 1964, and each of the four succeeding fiscal years, make loans to institutions of higher education for the construction of academic facilities in accordance with the provisions of this title. For the purpose of making loans under this title, there is hereby authorized to be appropriated the sum of \$120,000,000 for the fiscal year ending June 30, 1964, and each of the two succeeding fiscal years; but for the fiscal year ending June 30, 1967, and the succeeding fiscal year, only such sums may be appropriated as the Congress may hereafter authorize by law. In addition to the sums authorized to be appropriated under the preceding sentence, there is hereby authorized to be appropriated for the fiscal year ending June 30, 1965, and the succeeding fiscal year, for making such loans the difference (if any) between the sums authorized to be appropriated under the preceding sentence for preceding fiscal years and the aggregate of the sums which were appropriated for such preceding years under such sentence. *Sums appropriated pursuant to this subsection for any fiscal year shall remain available for loans under this title until the end of the next succeeding fiscal year.*

TITLE IV—GENERAL PROVISIONS

DEFINITIONS

SEC. 401. As used in this Act—

(a)(1) Except as provided in subparagraph (2) of this paragraph, the term “academic facilities” means structures suitable for use as classrooms, laboratories, libraries, and related facilities necessary or appropriate for instruction of students, or for research, or for administration of the educational or research programs, of an institution of higher education, and maintenance, storage, or utility facilities essential to operation of the foregoing facilities.

(2) The term “academic facilities” shall not include (A) any facility intended primarily for events for which admission is to be charged to the general public, or (B) any gymnasium or other facility specially designed for athletic or recreational activities, other than for an academic course in physical education or where the Commissioner finds that the physical integration of such facilities with other academic facilities included under this Act is required to carry out the objectives of this Act, or (C) any facility used or to be used for sectarian instruction or as a place for religious worship, or (D) any facility which (although not a facility described in the preceding clause) is used or to be used primarily in connection with any part of the program of a school or department of divinity, or [(E) any facility used or to be used by a “school of medicine”, “school of dentistry”, “school of osteopathy”, “school of pharmacy”, “school of optometry”, “school of podiatry”, “school of nursing”, or “school of public health”, as defined in section 724 of the Public Health Service Act] (E) *any facility used or to be used by a school of medicine, school of dentistry, school of osteopathy, school of pharmacy, school of optometry, school of podiatry, or school of public health as these terms are defined in section 724 of the Public Health Service Act, or a school of nursing as defined in section 843 of that Act.* For the purposes of this subparagraph, the term “school or department of divinity” means an institution, or a department or branch of an institution, whose program is specifically for the education of students to prepare them to become ministers of religion or to enter upon some other religious vocation or to prepare them to teach theological subjects.

* * * * *

(d) The term “Federal share” means, in the case of a project for an institution of higher education other than a public community college or public technical institute, a percentage (as determined under the applicable State plan) not in excess of 33½ per centum of its development cost; and such term means, in the case of a public community college or public technical institute, *a percentage (as determined under the applicable State plan) not in excess of 40 per centum of its development cost.*

SUPPLEMENTAL VIEWS

We, the undersigned minority members of the committee, support the Higher Education Act, H.R. 9567. This endorsement is consistent with the historic sponsorship and support of constructive education legislation on a bipartisan basis.

Republican Tradition

The Republican tradition of support for higher education commenced more than a century ago during the administration of our party's first President, Abraham Lincoln, when, in 1862, with the aid of a Republican Congress, the first Morrill Act became law, allotting substantial land grants to the States for the establishment of agricultural and mechanical colleges.

This support flowered in later Republican administrations which saw the establishment of the Office of Education, the first extensive programs of Federal research conducted in colleges and the expansion of previously enacted programs.

In the most recent Republican administration, that of President Dwight D. Eisenhower, our party's initiative in the area of higher education was further advanced by the creation of the Department of Health, Education, and Welfare, the enactment of the National Defense Education Act upon which subsequent administrations have built and which H.R. 9567 further expands, enactment of the Cooperative Research Act, enactment of the War Orphans Educational Assistance Act, establishment of the President's Committee on Education Beyond the High School recommendations of which (e.g., work study) have since come into law and are a part of H.R. 9567, and expansion and strengthening of previously enacted legislation.

In addition, Republicans in the Congress, during Democratic administrations, have initiated proposals for higher education and have worked with members of the majority to bring into law constructive proposals which they have advanced. This bill is a prime example of such bipartisan support.

Contributions of the Minority

We are particularly gratified to note some of the contributions of minority members of the committee to the bill as finally reported. These provisions include:

1. Additional National Defense Education Act loan forgiveness for those who teach in poverty-impacted areas.

2. Encouraging State scholarship activities by making available 15 percent of a State's allocation under title IV, part A for State scholarship funds for the needy student on an even-matching, maintenance-of-effort basis.

3. Postponement of the cutoff of the Institutes for School Librarians established by the National Defense Education Act to permit a phaseout rather than a sudden disruption.

4. Broadening the scope of the Higher Education Facilities Act to include arts and humanities.

5. Recognition of outstanding students by making available an additional \$200 scholarship grant for those students who rank in the upper half of their class.

6. Encouragement of joint use of library facilities.

7. Broadening of the title VI equipment grant provisions to include the arts and humanities in addition to other areas of instruction.

8. Enhancement of the role of State and private, nonprofit institutions in guaranteeing low-cost student loans.

9. Lessening the experience requirement for experienced teachers to 5 years to qualify for fellowships under title V.

10. Broadening of the title V fellowship program to include non-public school teachers.

11. Streamlining and reforming National Defense Education Act loan procedures.

12. Addition of "industrial arts" to title XI of the National Defense Education Act.

13. Authorization of payment in kind by colleges under the work-study program.

14. Addition of "economics" to titles III and XI of the National Defense Education Act.

15. Addition of "civics" to title XI of the National Defense Education Act.

16. Emphasis on high quality substantive courses in the title V teacher fellowship program rather than on the so-called educational method courses.

17. Broadening of title II so that institutions with modest resources can obtain maximum library assistance without a matching requirement and those with resources would be required to match.

18. Training of college administrators for developing institutions.

19. "Untying" the scholarship portion of the bill so that a student is no longer required to borrow and participate in a work-study program in order to obtain a scholarship, and a college is no longer required to have Federal loan and work-study programs in order to be eligible for scholarship funds.

20. Barring of title I extension course funds from use for sectarian instruction, religious worship, or divinity school courses.

21. Moderately decreasing Federal matching contribution under title I to encourage greater college participation in accord with recommendations of land-grant colleges.

In addition to these, the minority members were responsible for numerous minor and technical improvements to the bill.

Also, members of the minority who are not members of this committee contributed amendments, principally to title VII of the bill. These amendments increase the authorization for fiscal year 1966 of the Higher Education Facilities Act of 1963 (Public Law 88-204) by \$100 million for title I undergraduate construction and by \$60 million for title II graduate construction as well as making more flexible the use of funds for construction grants to public community colleges and public technical institutes.

Conclusion

The method of consideration of this bill stands in marked contrast to that under which the Elementary and Secondary Education Act was considered earlier this year. In the latter case, for "tactical" reasons, the majority permitted no amendments to the bill from Senators from either side of the aisle, no matter how minor. In this measure, where amendments have been accepted, the bill has been considerably strengthened.

The conclusion is inescapable that when the Senate is allowed to perform its constitutional role as a legislature, the results are to the benefit of our Nation and its people. We hope that this will continue to be the case.

The unalterable significance of higher education challenges our colleges and universities with rising demands and higher expectations. A further challenge to higher education is in the growth of knowledge itself involving not only the rapid accumulation of information but also a synthesis of new concepts and the obsolescence of others.

Added to these quantitative demands is the increasing search for excellence. Mass production of college graduates in what has been referred to as "faceless factories" will satisfy neither individual nor national needs. There are still in the methods and ideas for higher education quite a few "sacred cows" about, not worth the grass they eat.

The menace of factorylike universities increases when the small and weak colleges unable to compete become outdated and ineffective. It is important that existing institutions be conserved and utilized to share the burden of increased enrollments and also to preserve that diversity in size, offerings, and ideals which have characterized and vitalized our system of higher education. The small but excellent college has a unique contribution to make to higher education.

As Republicans we have strong convictions regarding the heavy concentration of Federal programs in a relatively few universities to the detriment of the less fortunate schools. While this bill does make a contribution toward correcting this discrepancy, the threat to the small institution still remains if care is not continually exercised.

It is apparent that if a limited number of institutions of higher learning is selected by the Federal Government for extensive support, they cannot by themselves supply quality education for the millions of young men and women in all sections of the country who deserve the best educational opportunities possible. We think that in the years ahead our Nation needs many strong institutions to give high-quality education to a growing student population and to meet the challenge of the new methods and ideas we will gain from research progress.

JACOB K. JAVITS.
WINSTON L. PROUTY.
PETER H. DOMINICK.
GEORGE MURPHY.
PAUL J. FANNIN.

INDIVIDUAL VIEWS OF SENATOR PETER H. DOMINICK

The administration, in presenting S. 600, is advancing a theory of support for higher education much like a three-legged stool. Under this theory the student would be helped in his effort to achieve a higher education by a combination of three programs: Federal scholarship grants, Federal loans and loan insurance, and Federal work-study programs.

There is a basic weakness in this three-legged approach which neglects the crucial fact that a very large proportion of students pay for their postsecondary education either by part-time employment while in college or by assistance from the earnings of their parents. This is the fourth and most important leg of the stool, for it is the contribution made to a student's education through his own and his parents' efforts. But with college costs increasing at a rate of 5 percent annually and with costs of living rising every day, it is becoming more and more difficult for the lower and middle income families to send their sons and daughters to college. The Congress should take steps to protect and strengthen this vital fourth leg of the stool, the leg of individual efforts by students and families to shoulder the burden of the cost of a college education.

It is fortunate that an effective tool to strengthen this fourth leg of the stool is available. On January 6 of this year there was introduced into the Senate S. 12, a bill to provide for a tax credit for money spent on higher education. I am proud to be a cosponsor of this bill. It would allow a credit against personal income taxes graduated according to the amount of money spent on college and postgraduate expenses. The credit is to be reduced in proportion to the amount by which the taxpayer's income exceeds \$25,000. This sliding scale makes it perfectly clear that this is not a rich man's bill. Over 90 percent of the benefits would go to families with incomes of less than \$20,000. The greatest benefit would be to the 62 percent of American families whose income falls between \$3,000 and \$10,000 yearly. S. 12 thus constitutes a very effective way of helping the students and parents of students who pay the lion's share of the costs of postsecondary education. It does so without requiring the establishment of any new Federal bureaucracy and completely avoids any question of Federal control of education. The provisions of S. 12 could not be incorporated in S. 600 because of Senate rules of procedure; but as this comprehensive measure becomes part of our national effort toward better education for all, the Congress should also enact the tax credit measure as soon as possible. Only in this way can a balanced approach to aid to higher education be achieved.

Aside from the failure to consider a tax credit approach to higher educational support, S. 600 is an excellent approach to the demands placed on colleges and universities by 20th-century society. Of special value is title II which provides for the strengthening and development of library facilities in institutions of higher education. The quality of education at any school must rest in great part on the library

facilities available, and aid to libraries has too often been neglected in favor of other forms of aid.

I must add words of caution about one particular deficiency of S. 600. Title IV provides for federally sponsored scholarships in addition to the existing loan program under the National Defense Education Act. The Labor and Public Welfare Committee has not chosen to adopt the provisions of the House bill, which allow each educational institution a great deal of flexibility in allocating Federal funds to loans or to scholarships. The language of the Senate bill instead sets down a certain amount to be allotted to scholarships. Colleges and universities have for many years been managing their own loan and scholarship programs and therefore are better capable to divide Federal grants into funds for scholarships and for loans to fit their particular needs. Some schools will have a greater proportion of students from very needy families and consequently, would allocate a larger percentage of the funds to pure scholarships. Other schools may have primarily students from higher income families and so would wish to use more money for scholarships in order to make aid available to a larger number of their students. This flexibility of approach should be left to the schools themselves, and S. 600 should be amended in this respect to follow the language of the House bill.



Calendar No. 656

89TH CONGRESS
1ST SESSION

H. R. 9567

[Report No. 673]

IN THE SENATE OF THE UNITED STATES

AUGUST 30, 1965

Read twice and referred to the Committee on Labor and Public Welfare

SEPTEMBER 1, 1965

Reported by Mr. MORSE, with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

AN ACT

To strengthen the educational resources of our colleges and universities and to provide financial assistance for students in postsecondary and higher education.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Higher Education Act
4 of 1965".

5 ~~TITLE I—COMMUNITY SERVICE PROGRAMS~~

6 ~~DECLARATION OF PURPOSE; APPROPRIATIONS AUTHORIZED~~

7 ~~SEC. 101. (a) The Congress finds that a greater involve-~~
8 ~~ment of institutions of higher education in the solution of~~

1 problems brought about by increasing urbanization is essen-
 2 tial to the rapid and effective solution of such problems. The
 3 Congress also finds that an increase in the availability of
 4 educational offerings by institutions of higher education for
 5 persons in the community is necessary in order to insure that
 6 the latest knowledge and techniques are brought to bear on
 7 urban and suburban problems. The Congress further finds
 8 that a strengthening of the resources of institutions of higher
 9 education is desirable in order to facilitate a more effective
 10 utilization of such resources in meeting the growing needs of
 11 our urban and suburban communities. The Congress, there-
 12 fore, declares that the purpose of this title is to provide a
 13 program of support for institutions of higher education in
 14 their establishing and maintaining community service pro-
 15 grams designed to achieve these ends.

16 (b) There are authorized to be appropriated \$50,-
 17 000,000 for the fiscal year ending June 30, 1966, to enable
 18 the Commissioner to make grants under this title. For the
 19 fiscal year ending June 30, 1967, and each of the three suc-
 20 ceeding fiscal years, there may be appropriated, to enable
 21 the Commissioner to make such grants, only such sums as
 22 the Congress may hereafter authorize by law.

23 DEFINITION OF COMMUNITY SERVICE PROGRAM

24 SEC. 102. For purposes of this title, the term "commu-
 25 nity service program" means—

(1) an educational program, activity, or service, including a research program, which is specifically designed to assist in the solution of urban or suburban problems, or

(2) an educational program, activity, or service which is designed to assist in the solution of community problems where the institution offering such program, activity, or service determines—

(A) that the proposed program, activity, or service is not otherwise available, and

(B) that the conduct of the program or performance of the activity or service is consistent with the institution's overall educational program and is of such a nature as is appropriate to the effective utilization of the institution's special resources and the competencies of its faculty.

Where such an educational program, activity, or service involves course offerings, such courses must be university extension or continuing education courses and must be—

(i) fully acceptable toward an academic degree, or

(ii) of college level as determined by the institution offering such courses,

except, in no event, shall such courses be of a frivolous nature.

ALLOTMENTS TO STATES

SEC. 103. (a) of the sums appropriated pursuant to section 101 for each fiscal year, the Commissioner shall allot \$25,000 each to Guam, American Samoa, the Commonwealth of Puerto Rico, and the Virgin Islands and \$100,000 to each of the other States, and he shall allot to each State an amount which bears the same ratio to the remainder of such sums as the population of the State bears to the population of all States.

(b) The amount of any State's allotment under subsection (a) for any fiscal year which the Commissioner determines will not be required for such fiscal year for carrying out the State plan (if any) approved under this title shall be available for reallocation from time to time, on such dates during such year as the Commissioner may fix, to other States in proportion to the original allotments to such States under such subsection for such year, but with such proportionate amount for any of such States being reduced to the extent it exceeds the sum the Commissioner estimates such State needs and will be able to use for such year for carrying out the State plan; and the total of such reductions shall be similarly reallocated among the States whose proportionate amounts were not so reduced. Any amount reallocated to a State under this subsection during a year from funds appro-

1 priated pursuant to section 101 shall be deemed part of its
 2 allotment under subsection (a) for such year.

3 ~~(c)~~ In accordance with regulations of the Commis-
 4 sioner, any State may file with him a request that a specified
 5 portion of its allotment under this title be added to the allot-
 6 ment of another State under this title for the purpose of meet-
 7 ing a portion of the Federal share of the cost of providing
 8 community service programs under this title. If it is found
 9 by the Commissioner that the programs with respect to which
 10 the request is made would meet needs of the State making
 11 the request and that use of the specified portion of such
 12 State's allotment, as requested by it, would assist in carrying
 13 out the purposes of this title, such portion of such State's al-
 14 lotment shall be added to the allotment of the other State
 15 under this title to be used for the purpose referred to above.

16 ~~(d)~~ The population of a State and of all the States
 17 shall be determined by the Commissioner on the basis of the
 18 most recent satisfactory data available from the Department
 19 of Commerce.

20 USES OF ALLOTTED FUNDS

21 SEC. 104. A State's allotment under section 103 may
 22 be used, in accordance with its State plan approved under
 23 section 105(b), to provide new, expanded, or improved
 24 community service programs.

STATE PLANS

SEC. 105. (a) Any State desiring to receive its allotment of Federal funds under this title shall designate or create a State agency or institution which has special qualifications with respect to solving community problems and which is broadly representative of institutions of higher education in the State which are competent to offer community service programs, and shall submit to the Commissioner through the agency or institution so designated a State plan. If a State desires to designate for the purposes of this section an existing State agency or institution which does not meet these requirements, it may do so if the agency or institution takes such action as may be necessary to acquire such qualifications and assure participation of such institutions, or if it designates or creates a State advisory council which meets the requirements not met by the designated agency or institution to consult with the designated agency or institution in the preparation of the State plan. A State plan submitted under this title shall be in such detail as the Commissioner deems necessary and shall—

(1) provide that the agency or institution so designated or created shall be the sole agency for administration of the plan or for supervision of the administration of the plan; and provide that such agency or institution shall consult with any State advisory council required

1 to be created by this section with respect to policy mat-
2 ters arising in the administration of such plan;

3 ~~(2)~~ set forth a comprehensive, coordinated, and
4 statewide system of community service programs
5 under which funds paid to the State (including funds
6 paid to an institution pursuant to section 106(b)) under
7 its allotments under section 103 will be expended solely
8 for community service programs which have been ap-
9 proved by the agency or institution administering the
10 plan;

11 ~~(3)~~ set forth the policies and procedures to be
12 followed in allocating Federal funds to institutions of
13 higher education in the State, which policies and pro-
14 cedures shall insure that due consideration will be
15 given—

16 ~~(A)~~ to the relative capacity and willingness
17 of particular institutions of higher education
18 (whether public or private) to provide effective
19 community service programs;

20 ~~(B)~~ to the availability of and need for com-
21 munity service programs among the population
22 within the State; and

23 ~~(C)~~ to the results of periodic evaluations of
24 the programs carried out under this title in the light

1 of information regarding current and anticipated
2 community problems in the State;

3 (4) set forth policies and procedures designed to
4 assure that Federal funds made available under this title
5 will be so used as not to supplant State or local funds, or
6 funds of institutions of higher education, but supplement
7 them, and, to the extent practicable, increase the
8 amounts of such funds that would in the absence of such
9 Federal funds be made available for community service
10 programs;

11 (5) set forth such fiscal control and fund account-
12 ing procedures as may be necessary to assure proper
13 disbursement of and accounting for Federal funds paid
14 to the State (including such funds paid by the State or
15 by the Commissioner to institutions of higher education)
16 under this title; and

17 (6) provide for making such reports in such form
18 and containing such information as the Commissioner
19 may reasonably require to carry out his functions under
20 this title, and for keeping such records and for affording
21 such access thereto as the Commissioner may find neces-
22 sary to assure the correctness and verification of such
23 reports.

24 (b) The Commissioner shall approve any State plan

1 and any modification thereof which complies with the provi
2 sions of subsection ~~(a)~~.

3 PAYMENTS

4 SEC. 106. ~~(a)~~ Payment under this title shall be made
5 to those State agencies and institutions which administer
6 plans approved under section 105 ~~(b)~~. Payments under this
7 title from a State's allotment with respect to the cost of
8 developing and carrying out its State plan shall equal 75
9 per centum of such costs for the fiscal year ending June 30,
10 1966, and 50 per centum of such costs for the fiscal year
11 ending June 30, 1967, and each of the three succeeding
12 fiscal years, except that no payments for any fiscal year shall
13 be made to any State with respect to expenditures for devel-
14 oping and administering the State plan which exceed 5 per-
15 centum of the costs for that year for which payment under
16 this subsection may be made to that State. In determining
17 the cost of developing and carrying out a State's plan, there
18 shall be excluded any cost with respect to which payments
19 were received under any other Federal program.

20 ~~(b)~~ Payments to a State under this title may be made in
21 installments and in advance or by way of reimbursement
22 with necessary adjustments on account of overpayments or
23 underpayments, and they may be paid directly to the State

1 or to one or more participating institutions of higher educa-
2 tion designated for this purpose by the State, or to both.

3 ADMINISTRATION OF STATE PLANS

4 SEC. 107. (a) The Commissioner shall not finally dis-
5 approve any State plan submitted under this title, or any
6 modification thereof, without first affording the State agency
7 or institution submitting the plan reasonable notice and
8 opportunity for a hearing.—

9 (b) Whenever the Commissioner, after reasonable
10 notice and opportunity for hearing to the State agency or
11 institution administering a State plan approved under sec-
12 tion 105(b), finds that—

13 (1) the State plan has been so changed that
14 it no longer complies with the provisions of section
15 105(a), or

16 (2) in the administration of the plan there is a
17 failure to comply substantially with any such provision,
18 the Commissioner shall notify the State agency or institution
19 that the State will not be regarded as eligible to participate
20 in the program under this title until he is satisfied that there
21 is no longer any such failure to comply.

22 JUDICIAL REVIEW

23 SEC. 108. (a) If any State is dissatisfied with the Com-
24 missioner's final action with respect to the approval of its
25 State plan submitted under section 105(a) or with his final

1 action under section 107(b), such State may, within sixty
2 days after notice of such action, file with the United States
3 court of appeals for the circuit in which the State is located
4 a petition for review of that action. A copy of the petition
5 shall be forthwith transmitted by the clerk of the court to the
6 Commissioner. The Commissioner thereupon shall file in
7 the court the record of the proceedings on which he based
8 his action, as provided in section 2412 of title 28, United
9 States Code.

10 (b) The findings of fact by the Commissioner, if sup-
11 ported by substantial evidence, shall be conclusive; but the
12 court, for good cause shown, may remand the case to the
13 Commissioner to take further evidence, and the Commis-
14 sioner may thereupon make new or modified findings of fact
15 and may modify his previous action, and shall certify to the
16 court the record of the further proceedings. Such new or
17 modified findings of fact shall likewise be conclusive if sup-
18 ported by substantial evidence.

19 (c) The court shall have jurisdiction to affirm the action
20 of the Commissioner or to set it aside, in whole or in part.
21 The judgment of the court shall be subject to review by the
22 Supreme Court of the United States upon certiorari or certifi-
23 cation as provided in section 1254 of title 28, United States
24 Code.

1 NATIONAL ADVISORY COMMITTEE ON COMMUNITY SERVICE
2 PROGRAMS

3 SEC. 109. (a) The Commissioner shall establish in the
4 Office of Education a National Advisory Committee on
5 Community Service Programs (hereinafter referred to
6 as the "Advisory Committee"), consisting of the Commis-
7 sioner, who shall be Chairman, one representative each of
8 the Departments of Agriculture, Commerce, Defense, Labor,
9 Interior, and State, of the Housing and Home Finance
10 Agency and the Office of Economic Opportunity, and of such
11 other Federal agencies having extension education responsi-
12 bilities as the Commissioner may designate, and six members
13 appointed, for staggered terms and without regard to the
14 civil service laws, by the Commissioner with the approval of
15 the Secretary of Health, Education, and Welfare. Such six
16 members shall, to the extent possible, include persons knowl-
17 edgeable in the field of extension and continuing education,
18 State and local officials and other persons having special
19 knowledge, experience, or qualification with respect to com-
20 munity problems, and persons representative of the general
21 public. The Advisory Committee shall meet at the call of
22 the Chairman but not less often than twice a year.

23 (b) The Advisory Committee shall advise the Commis-
24 sioner in the preparation of general regulations and with
25 respect to policy matters arising in the administration of this

1 title, including policies and procedures governing the ap-
2 proval of State plans under section 105(b).

3 ~~(c)~~ Members of the Advisory Committee who are not
4 regular full-time employees of the United States shall, while
5 serving on the business of the Advisory Committee, be en-
6 titled to receive compensation at rates fixed by the Secre-
7 tary, but not exceeding \$100 per day, including travel time;
8 and, while so serving away from their homes or regular
9 places of business, members may be allowed travel expenses,
10 including per diem in lieu of subsistence, as authorized by
11 section 5 of the Administrative Expenses Act of 1946 (~~5~~
12 ~~U.S.C. 73b-2~~) for persons in the Government service em-
13 ployed intermittently.

14 REVIEW OF COMMUNITY SERVICE PROGRAMS AND OF THE
15 PROVISIONS OF THIS TITLE

16 SEC. 110. ~~(a)~~ The Secretary shall, during 1968, ap-
17 point a Review Council on Community Service Programs
18 ~~(hereafter in this title referred to as the "Council")~~ for
19 the purpose of reviewing the administration of community
20 service programs for which funds are appropriated pursuant
21 to this title and making recommendations for the improve-
22 ment of that administration, and for purpose of reviewing the
23 effectiveness of and making recommendations with respect
24 to these community service programs and with respect to
25 this title.

1 ~~(b)~~ The Council shall be appointed by the Secretary
2 without regard to the civil service laws and shall consist of
3 twelve persons who shall, to the extent possible, include per-
4 sons knowledgeable in the field of extension and continuing
5 education; State and local officials having special knowledge;
6 experience; or qualification with respect to community prob-
7 lems; and persons representative of the general public.

8 ~~(c)~~ The Secretary is authorized to engage such technical
9 assistance as may be required to carry out the functions
10 of the Council, and the Secretary shall, in addition, make
11 available to the Council such secretarial, clerical, and other
12 assistance and such pertinent data prepared by the Depart-
13 ment of Health, Education, and Welfare as it may require
14 to carry out its functions.

15 ~~(d)~~ The Council shall make a report of its findings and
16 recommendations ~~(including recommendations for changes~~
17 ~~in the provisions of this title)~~ to the Secretary, such report
18 to be submitted not later than March 31, 1969, after which
19 date such Council shall cease to exist. The Secretary shall
20 transmit such report to the President for transmittal to the
21 Congress together with his comments and recommendations.

22 ~~(e)~~ Members of the Council who are not regular full-
23 time employees of the United States shall, while serving on
24 business of the Council, be entitled to receive compensation
25 at rates fixed by the Secretary, but not exceeding \$100 per

day, including travel time; and while so serving away from their homes or regular places of business, members may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b-2) for persons in Government service employed intermittently.

RELATIONSHIP TO OTHER EXTENSION PROGRAMS

SEC. 111. Nothing in this title shall modify authorities under the Act of February 23, 1917 (~~Smith-Hughes Vocational Education Act~~), as amended (20 U.S.C. 11-15, 16-28); the Vocational Education Act of 1946, as amended (20 U.S.C. 15i-15m, 15o-15q, 15aa-15jj, and 15aaa-15ggg); the Vocational Education Act of 1963 (20 U.S.C. 35-35n); title VIII of the Housing Act of 1964 (Public Law 88-560); or the Act of May 8, 1914 (~~Smith-Lever Act~~), as amended (7 U.S.C. 341-348).

TITLE II—COLLEGE LIBRARY ASSISTANCE AND

LIBRARY TRAINING AND RESEARCH

PART A—COLLEGE LIBRARY RESOURCES

APPROPRIATIONS AUTHORIZED

SEC. 201. There are authorized to be appropriated \$50,000,000 for the fiscal year ending June 30, 1966, to enable the Commissioner to make grants under this part to institutions of higher education to assist and encourage such institutions in the acquisition for library purposes of

1 books, periodicals, documents, magnetic tapes, phonograph
 2 records, audiovisual materials, and other related library ma-
 3 terials (including necessary binding). For the fiscal year
 4 ending June 30, 1967, and each of the three succeeding fiscal
 5 years, there may be appropriated, to enable the Commis-
 6 sioner to make such grants, only such sums as the Congress
 7 may hereafter authorize by law.

8 BASIC GRANTS

9 SEC. 202. From 75 per centum of the sums appropriated
 10 pursuant to section 201 for any fiscal year, the Commissioner
 11 is authorized to make basic grants for the purposes set forth
 12 in that section to institutions of higher education and com-
 13 binations of such institutions. The amount of a basic grant
 14 shall not exceed \$5,000 for each such institution, and a
 15 basic grant under this subsection may be made only if the
 16 application therefor is approved by the Commissioner upon
 17 his determination that the application (whether by an in-
 18 dividual institution or a combination of institutions)—

19 (a) provides satisfactory assurance that the appli-
 20 cant will expend during the fiscal year for which the
 21 grant is requested (from funds other than funds received
 22 under this part) for all library purposes (exclusive of
 23 construction) (1) an amount not less than the average
 24 annual amount it expended for such purposes during
 25 the two-year period ending June 30, 1965, and (2) an

amount ~~(from such other sources)~~ equal to not less than the amount of such grant;

~~(b)~~ provides satisfactory assurance that the applicant will expend during the fiscal year for which the grant is requested ~~(from funds other than funds received under this part)~~ for books, periodicals, documents, magnetic tapes, phonograph records, audiovisual materials, and other related materials ~~(including necessary binding)~~ for library purposes an amount not less than the average annual amount it expended for such materials during the two-year period ending June 30, 1965;

~~(c)~~ provides for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the applicant under this section; and

~~(d)~~ provides for making such reports, in such form and containing such information, as the Commissioner may require to carry out his functions under this section, and for keeping such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports.

SUPPLEMENTAL GRANTS

SEC. 203. ~~(a)~~ From the remainder of such 75 per centum of the sums appropriated pursuant to section 201 for

1 any fiscal year, the Commissioner is authorized to make sup-
 2 plemental grants for the purposes set forth in that section to
 3 institutions of higher education and combinations of such in-
 4 stitutions. The amount of a supplemental grant shall not
 5 exceed \$10 for each full-time student (including the full-
 6 time equivalent of the number of part-time students) en-
 7 rolled in each such institution, as determined pursuant to
 8 regulations of the Commissioner. A supplemental grant
 9 may be made only upon application therefor, in such form
 10 and containing such information as the Commissioner may
 11 require, which application shall—

12 ~~(1)~~ meet the application requirements set forth in
 13 section 202 except for the matching requirement set
 14 forth in paragraph ~~(a)~~ ~~(2)~~ of that section;

15 ~~(2)~~ describe the size and quality of the library
 16 resources of the applicant in relation to its present en-
 17 rollment and any expected increase in its enrollment;

18 ~~(3)~~ set forth any special circumstances which are
 19 impeding or will impede the proper development of its
 20 library resources; and

21 ~~(4)~~ provide a general description of how a supple-
 22 mental grant would be used to improve the size or
 23 quality of its library resources.

24 ~~(b)~~ The Commissioner shall approve applications for
 25 supplemental grants on the basis of basic criteria prescribed

1 in regulations and developed after consultation with the
2 Council created under section 205. Such basic criteria shall
3 be such as will best tend to achieve the objectives of this part
4 and they may take into consideration factors such as the size
5 and age of the library collection, student enrollment, and
6 endowment and other financial resources.

7 SPECIAL PURPOSE GRANTS

8 SEC. 204. Twenty-five per centum of the sums appro-
9 priated pursuant to section 201 for each fiscal year, plus any
10 part of the remainder of such sums as the Commissioner
11 determines will not be needed for making grants under sec-
12 tions 202 and 203, shall be used by the Commissioner to
13 make special grants (a) to institutions of higher education
14 which demonstrate a special need for additional library re-
15 sources and which demonstrate that such additional library
16 resources will make a substantial contribution to the quality
17 of their educational resources; (b) to institutions of higher
18 education to meet special national or regional needs in the
19 library and information sciences; and (c) to combinations of
20 institutions of higher education which need special assistance
21 in establishing joint-use facilities. Grants under this section
22 may be used only for books, periodicals, documents, magnetic
23 tapes, phonograph records, audiovisual materials, and other
24 related library materials (including necessary binding).

1 ADVISORY COUNCIL ON COLLEGE LIBRARY RESOURCES

2 SEC. 205: (a) The Commissioner shall establish in the
3 Office of Education an Advisory Council on College Library
4 Resources consisting of the Commissioner, who shall be
5 Chairman, and eight members appointed, without regard to
6 the civil service laws, by the Commissioner with the ap-
7 proval of the Secretary.

8 (b) The Advisory Council shall advise the Commis-
9 sioner with respect to establishing criteria for the making of
10 supplemental grants under section 203 and the making of
11 special purpose grants under section 204. The Commis-
12 sioner may appoint such special advisory and technical ex-
13 perts and consultants as may be useful in carrying out the
14 functions of the Advisory Council.

15 (c) Members of the Advisory Council, while serving on
16 business of the Advisory Council, shall receive compensation
17 at a rate to be fixed by the Secretary, but not exceeding
18 \$100 per day, including travel time; and, while so serving
19 away from their homes or regular places of business, they
20 may be allowed travel expenses, including per diem in lieu
21 of subsistence, as authorized by section 5 of the Administra-
22 tive Expenses Act of 1946 (5 U.S.C. 73b-2) for persons
23 in the Government service employed intermittently.

1 ACCREDITATION REQUIREMENT FOR PURPOSES OF THIS

2 PART

3 SEC. 206. For the purposes of this part, an educational
4 institution shall be deemed to have been accredited by a
5 nationally recognized accrediting agency or association if the
6 Commissioner determines that there is satisfactory assurance
7 that upon acquisition of the library resources with respect to
8 which assistance under this part is sought, or upon acquisition
9 of those resources and other library resources planned
10 to be acquired within a reasonable time, the institution will
11 meet the accreditation standards of such agency or association.
12

13 LIMITATION

14 SEC. 207. No grant may be made under this part for
15 books, periodicals, documents, or other related materials to
16 be used for sectarian instruction or religious worship, or
17 primarily in connection with any part of the program of a
18 school or department of divinity.—For purposes of this section,
19 the term “school or department of divinity” means an
20 institution or a department or branch of an institution whose
21 program is specifically for the education of students to prepare
22 them to become ministers of religion or to enter upon

1 some other religious vocation; or to prepare them to teach
2 theological subjects.

3 CONSULTATION WITH STATE AGENCY

4 SEC. 208. Each institution of higher education which
5 receives a grant under this part shall consult with respect to
6 its activities under this part with the State agency (if any)
7 which is concerned with the educational activities of all insti-
8 tutions of higher education in the State in which the recipient
9 institution is located.

10 PART B—LIBRARY TRAINING AND RESEARCH

11 APPROPRIATIONS AUTHORIZED

12 SEC. 221. There are authorized to be appropriated
13 \$15,000,000 for the fiscal year ending June 30, 1966; for
14 the purpose of carrying out this part. For the fiscal year
15 ending June 30, 1967, and each of the three succeeding fiscal
16 years, there may be appropriated for such purpose only such
17 sums as the Congress may hereafter authorize by law.

18 DEFINITION OF "LIBRARIANSHIP"

19 SEC. 222. For the purposes of this part the term "li-
20 brarianship" means the principles and practices of the library
21 and information sciences, including the acquisition, organiza-
22 tion, storage, retrieval, and dissemination of information, and
23 reference and research use of library and other information
24 resources.

GRANTS FOR TRAINING IN LIBRARIANSHIP

SEC. 223. (a) The Commissioner is authorized to make grants to institutions of higher education to assist them in training persons in librarianship. Such grants may be used by such institutions to assist in covering the cost of courses of training or study for such persons, and for establishing and maintaining fellowships or traineeships with stipends (including allowances for traveling, subsistence, and other expenses) for fellows and others undergoing training and their dependents not in excess of such maximum amounts as may be prescribed by the Commissioner.

(b) The Commissioner may make a grant to an institution of higher education only upon application by the institution and only upon his finding that such program will substantially further the objective of increasing the opportunities throughout the Nation for training in librarianship.

RESEARCH AND DEMONSTRATIONS RELATING TO LIBRARIES

AND THE TRAINING OF LIBRARY PERSONNEL

SEC. 224. (a) The Commissioner is authorized to make grants to institutions of higher education and other public or private agencies, institutions, and organizations, for research and demonstration projects relating to the improvement of libraries or the improvement of training in librarianship, including the development of new techniques, systems,

1 and equipment for processing, storing, and distributing
2 information, and for the dissemination of information derived
3 from such research and demonstrations, and, without regard
4 to section 3709 of the Revised Statutes (41 U.S.C. 5), to
5 provide by contracts with them for the conduct of such
6 activities; except that no such grant may be made to a
7 private agency, organization, or institution other than a
8 nonprofit one.

9 (b) The Commissioner is authorized to appoint a special
10 advisory committee of not more than nine members to advise
11 him on matters of general policy concerning research and
12 demonstration projects relating to the improvement of
13 libraries and the improvement of training in librarianship,
14 or concerning special services necessary thereto or special
15 problems involved therein.

16 (c) Members of the committee appointed under this
17 section who are not regular full-time employees of the United
18 States shall, while serving on the business of the committee,
19 be entitled to receive compensation at rates fixed by the
20 Commissioner, but not in excess of \$100 per diem, including
21 travel time; and they may, while so serving away from their
22 homes or regular places of business, be allowed travel ex-
23 penses, including per diem in lieu of subsistence, as authorized
24 by section 5 of the Administrative Expenses Act of 1946

1 ~~(5 U.S.C. 73b-2)~~ for persons in the Government service
2 employed intermittently.

3 **REPEALER**

4 **SEC. 225.** Effective July 1, 1965, section 1101 of the
5 National Defense Education Act of 1958 is amended by
6 adding the word "or" at the end of clause ~~(2)~~; by striking
7 out clause ~~(3)~~; and by renumbering clause ~~(4)~~ as clause
8 ~~(3)~~.

9 **PART C—STRENGTHENING COLLEGE AND RESEARCH**

10 **LIBRARY RESOURCES**

11 **APPROPRIATIONS AUTHORIZED**

12 **SEC. 231.** There are hereby authorized to be appro-
13 priated \$5,000,000 for the fiscal year ending June 30, 1966,
14 to enable the Commissioner to transfer funds to the Librarian
15 of Congress for the purpose of—

16 ~~(a)~~ acquiring, so far as possible, all library mate-
17 rials currently published throughout the world which are
18 of value to scholarship; and

19 ~~(b)~~ providing catalog information for such mate-
20 rials promptly after receipt, and using for exchange and
21 other purposes such of these materials as are not needed
22 for the Library of Congress collection.

23 For the fiscal year ending June 30, 1967, and each of the
24 three succeeding fiscal years, there may be appropriated,

1 to enable the Commissioner to transfer funds to the Librarian
2 of Congress for such purpose, only such sums as the Congress
3 may hereafter authorize by law.

4 TITLE III—STRENGTHENING DEVELOPING
5 INSTITUTIONS

6 STATEMENT OF PURPOSE, AND APPROPRIATIONS

7 AUTHORIZED

8 SEC. 301. (a) The purpose of this title is to assist in
9 raising the academic quality of colleges which have the
10 desire and potential to make a substantial contribution to the
11 higher education resources of our Nation but which for finan-
12 cial and other reasons are struggling for survival and are
13 isolated from the main currents of academic life, and to do
14 so by enabling the Commissioner to establish a national
15 teaching fellow program and to encourage and assist in the
16 establishment of cooperative arrangements under which these
17 colleges may draw on the talent and experience of our finest
18 colleges and universities, and on the educational resources
19 of business and industry, in their effort to improve their
20 academic quality.

21 (b) There are authorized to be appropriated \$30,000,-
22 000 for the fiscal year ending June 30, 1966, to carry out
23 the provisions of this title. For the fiscal year ending June
24 30, 1967, and each of the three succeeding fiscal years, there

1 may be appropriated, to carry out such provisions, only such
2 sums as the Congress may hereafter authorize by law.

3 DEFINITION OF "DEVELOPING INSTITUTION"

4 SEC. 302. As used in this title the term "developing
5 institution" means a public or nonprofit educational institu-
6 tion in any State which—

7 (a) admits as regular students only persons having
8 a certificate of graduation from a school providing sec-
9 ondary education, or the recognized equivalent of such a
10 certificate;

11 (b) is legally authorized to provide, and provides
12 within the State, an educational program for which it
13 awards a bachelor's degree;

14 (c) will, by the end of the academic year for which
15 it seeks assistance under this title, have awarded a bache-
16 lor's degree for six consecutive academic years;

17 (d) is accredited by a nationally recognized accred-
18 iting agency or association determined by the Com-
19 missioner to be reliable authority as to the quality of
20 training offered or is, according to such an agency or
21 association, making reasonable progress toward accredi-
22 tation;

23 (e) is making a reasonable effort to improve the

1 quality of its teaching and administrative staffs and of
2 its student services;

3 ~~(f)~~ is seriously handicapped in its efforts to improve
4 such staffs and services by lack of financial resources
5 and a shortage of qualified professional personnel;

6 ~~(g)~~ meets such other requirements as the Com-
7 missioner may prescribe by regulation; and

8 ~~(h)~~ is not an institution, or department or branch
9 of an institution, whose program is specifically for the
10 education of students to prepare them to become min-
11 isters of religion or to enter upon some other religious
12 vocation or to prepare them to teach theological subjects.

13 ADVISORY COUNCIL ON DEVELOPING INSTITUTIONS

14 SEC. 303. ~~(a)~~ The Commissioner shall establish in the
15 Office of Education an Advisory Council on Developing
16 Institutions (hereinafter in this title referred to as the
17 "Council"); consisting of the Commissioner, who shall be
18 Chairman, one representative each of such Federal agencies
19 having responsibilities with respect to developing institu-
20 tions as the Commissioner may designate, and eight mem-
21 bers appointed, without regard to the civil service laws,
22 by the Commissioner with the approval of the Secretary.

23 ~~(b)~~ The Council shall advise the Commissioner with
24 respect to policy matters arising in the administration of
25 this title and in particular shall assist the Commissioner

1 in identifying those developing institutions through which
2 the purposes of this title can best be achieved and in estab-
3 lishing priorities for use in approving applications under
4 this title. The Commissioner may appoint such special
5 advisory and technical experts and consultants as may be
6 useful in carrying out the functions of the Council.

7 (c) Members of the Council who are not otherwise
8 full-time employees of the United States shall, while serv-
9 ing on business of the Council, receive compensation at
10 a rate to be fixed by the Secretary, but not exceeding
11 \$100 per day, including travel time; and, while so serving
12 away from their homes or regular places of business, mem-
13 bers may be allowed travel expenses, including per diem
14 in lieu of subsistence, as authorized by section 5 of the
15 Administrative Expenses Act of 1946 (5 U.S.C. 73b-2)
16 for persons in the Government service employed inter-
17 mittently.

18 GRANTS FOR COOPERATIVE AGREEMENTS TO STRENGTHEN
19 DEVELOPING INSTITUTIONS

20 SEC. 304. (a) The Commissioner is authorized to make
21 grants to developing institutions and other colleges and uni-
22 versities to pay part of the cost of planning, developing, and
23 carrying out cooperative arrangements which show promise
24 as effective measures for strengthening the academic pro-
25 grams of developing institutions. Such cooperative arrange-

1 ments may be between developing institutions; between de-
2 veloping institutions and other colleges and universities; and
3 between developing institutions and organizations, agencies,
4 and business entities. Grants under this section may be used
5 for projects and activities such as—

6 ~~(1)~~ exchange of faculty or students, including ar-
7 rangements for bringing visiting scholars to developing
8 institutions;

9 ~~(2)~~ faculty improvement programs utilizing train-
10 ing, education, internships, research participation, and
11 other means;

12 ~~(3)~~ introduction of new curriculums and curricular
13 materials;

14 ~~(4)~~ development and operation of cooperative edu-
15 cation programs involving alternate periods of academic
16 study and business or public employment;

17 ~~(5)~~ joint use of facilities such as libraries or labora-
18 tories, including necessary books, materials, and equip-
19 ment; and

20 ~~(6)~~ other arrangements which offer promise of
21 strengthening the academic programs of developing in-
22 stitutions.

23 ~~(b)~~ A grant may be made under this section only upon
24 application to the Commissioner at such time or times and

1 containing such information as he deems necessary. The
2 Commissioner shall not approve an application unless it—

3 ~~(1)~~ sets forth a program for carrying out one or
4 more projects or activities which meet the requirements
5 of subsection ~~(a)~~ and provides for such methods of ad-
6 ministration as are necessary for the proper and efficient
7 operation of the program;

8 ~~(2)~~ sets forth policies and procedures which assure
9 that Federal funds made available under this section
10 for any fiscal year will be so used as to supplement and,
11 to the extent practical, increase the level of funds that
12 would, in the absence of such Federal funds, be made
13 available for purposes which meet the requirements of
14 subsection ~~(a)~~; and in no case supplant such funds;

15 ~~(3)~~ provides for such fiscal control and fund ac-
16 counting procedures as may be necessary to assure
17 proper disbursement of and accounting for Federal funds
18 paid to the applicant under this section; and

19 ~~(4)~~ provides for making such reports, in such form
20 and containing such information, as the Commissioner
21 may require to carry out his functions under this title,
22 and for keeping such records and for affording such
23 access thereto as the Commissioner may find necessary
24 to assure the corrections and verification of such reports.

1 ~~(c)~~ The Commissioner shall, after consultation with
2 the Council, establish criteria as to eligible expenditures for
3 which grants made under this section may be used; which
4 criteria shall be so designed as to prevent the use of such
5 grants for expenditures not necessary to the achievement of
6 the purposes of this part.

7 NATIONAL TEACHING FELLOWSHIPS

8 SEC. 305. ~~(a)~~ The Commissioner is authorized to award
9 fellowships under this section to highly qualified graduate
10 students and junior members of the faculty of colleges and
11 universities; to encourage such individuals to teach at de-
12 veloping institutions. The Commissioner shall award a fel-
13 lowship to an individual for teaching at a developing institu-
14 tion only upon application by an institution approved for this
15 purpose by the Commissioner and only upon a finding by the
16 Commissioner that the program of teaching set forth in the
17 application is reasonable in the light of the qualifications of
18 the teaching fellow and of the educational needs of the
19 applicant.

20 ~~(b)~~ Fellowships may be awarded under this section for
21 such period of teaching as the Commissioner may determine;
22 but such period shall not exceed two academic years or ex-
23 tend beyond June 30, 1970. Each person awarded a fel-
24 lowship under the provisions of this section shall receive a
25 stipend for each academic year of teaching of not more than

1 \$6,500 as determined by the Commissioner upon the advice
2 of the Council, plus an additional amount of \$400 for each
3 such year for each of his dependents.

4 TITLE IV—STUDENT ASSISTANCE

5 PART A—EDUCATIONAL OPPORTUNITY GRANTS

6 AUTHORIZATION OF APPROPRIATIONS

7 SEC. 401. (a) The first sentence of section 201 of the
8 National Defense Education Act of 1958 is amended (1) by
9 inserting after “low-interest loans” the following: “and (ex-
10 cept in the case of a school which does not meet the require-
11 ments of section 103(b)(5)) initial year awards of educa-
12 tional opportunity grants”, (2) by striking out “\$179,300,
13 000” and inserting in lieu thereof “\$253,300,000”, (3) by
14 striking out “\$190,000,000” and inserting in lieu thereof
15 “\$266,600,000”, and (4) by striking out “\$195,000,000”
16 and inserting in lieu thereof “\$280,000,000”.

17 (b) Such section is further amended by inserting after
18 the first sentence thereof the following new sentence: “There
19 are further authorized to be appropriated for the fiscal year
20 ending June 30, 1967, and each of the six succeeding fiscal
21 years, such sums as may be necessary to make contributions
22 to student loan funds equal to the amount necessary to enable
23 institutions of higher education to make educational oppor-
24 tunity grants provided for under section 206 to students for

1 academic years other than the initial year for which they are
2 awarded the grant."

3 ALLOTMENTS

4 SEC. 402. Subsections (a) and (b) of section 202 of
5 such Act are each amended by inserting after "pursuant to"
6 the following: "the first sentence of".

7 FEDERAL CAPITAL CONTRIBUTIONS

8 SEC. 403. (a) The first and second sentences of section
9 203 of such Act are amended by inserting after "allotment of
10 such State" each time it appears the following: "under sec-
11 tion 202".

12 (b) Such section is further amended by designating the
13 first three sentences thereof as subsection (a), by design-
14 ating the fourth sentence thereof as subsection (c) and by
15 inserting after subsection (a) the following new subsection:

16 "(b) From the sums appropriated pursuant to the au-
17 thorization contained in the second sentence of section 201
18 for a fiscal year, the Commissioner shall make a capital
19 contribution to each institution with which he has an agree-
20 ment under this title equal to the amount such institution
21 determines that it needs in order to make educational op-
22 portunity grants, as provided in this title, to students who
23 have received such a grant for one or more preceding aca-
24 demic years, except that, if the sums so appropriated are
25 less than the amount necessary to enable all such institutions

1 to receive the amount they determine they need for such
 2 grants, the Commissioner shall reduce the amount of each
 3 institution's capital contribution under this subsection pro
 4 rata."

5 CONDITIONS OF AGREEMENTS

6 SEC. 404. (a) Clause (B) of paragraph (2) of section
 7 204 of such Act is amended to read as follows: "(B) an
 8 amount, contributed by such institution, equal to not less
 9 than one-ninth of 75 per centum of the Federal capital con-
 10 tributions made under section 203(a),".

11 (b) Paragraph (3) of such section is amended by
 12 inserting after "only for loans" the following: "and (except
 13 in the case of a school which does not meet the requirements
 14 of section 103(b)(5)) educational opportunity grants".

15 Section 204 is further amended by inserting "(a)"
 16 after "SEC. 204." and by adding at the end thereof the fol-
 17 lowing new subsection:

18 "(b) Where an institution uses funds under this title
 19 for the awarding of educational opportunity grants such
 20 agreement shall—

21 "(1) provide that educational opportunity grants
 22 will be made only in accordance with section 206 to
 23 students who are or will be pursuing their course of study
 24 on a full-time basis,

25 "(2) provide that the institution, in cooperation

1 with other institutions of higher education where appropriate,
2 will make vigorous efforts to identify qualified
3 youths of exceptional financial need and to encourage
4 them to continue their education beyond secondary school
5 through programs and activities such as—

6 “(A) establishing or strengthening close work-
7 ing relationships with secondary school principals
8 and guidance and counseling personnel with a view
9 toward motivating students to complete secondary
10 school and pursue post-secondary-school educational
11 opportunities; and

12 “(B) making, to the extent feasible, condi-
13 tional commitments for educational opportunity
14 grants to qualified secondary school students with
15 special emphasis on students enrolled in grade 11 or
16 lower grades who show evidences of academic or
17 creative promise;

18 “(3) provide assurance that the institution will
19 continue to spend in its own scholarship and student aid
20 program, from sources other than funds received under
21 this title, not less than the average expenditure per year
22 made for that purpose during the most recent period of
23 three fiscal years preceding the first fiscal year during
24 which grants are to be made under the agreement.”

EDUCATIONAL OPPORTUNITY GRANTS

SEC. 405. Title II of such Act is amended by redesignating sections 206, 207, 208, and 209 as sections 209, 210, 211, and 212, respectively, and by inserting after section 205 the following new sections:

“EDUCATIONAL OPPORTUNITY GRANTS

“SEC. 206. (a) Educational opportunity grants made by institutions of higher education from student loan funds established pursuant to an agreement under this title shall be made only to students who the institution of higher education determines (1) show evidence of academic or creative promise and capability of maintaining good standing in their course of study; (2) are of exceptional financial need; (3) are eligible for a loan from such fund; and (4) would not, but for an educational opportunity grant, be financially able to pursue a course of study at such institution of higher education.

“(b) The duration of an educational opportunity grant awarded under this title shall be the period required for completion by the recipient of his undergraduate course of study at the institution of higher education from which he received the grant award, except that such period shall not exceed four academic years, less any such period with respect to which the recipient has previously received pay

1 ments under this title pursuant to a prior educational oppor-
2 tunity grant (whether made by the same or another in-
3 stitution).

4 “(e) An institution of higher education which awards
5 an educational opportunity grant to a student under this title
6 shall, for the duration of the educational opportunity grant,
7 pay to that student for each academic year during which he
8 is in need of grant assistance to pursue a course of study at
9 the institution, an amount determined by the institution for
10 such student with respect to that year, which amount shall
11 not exceed the lesser of \$800 or one-half of the sum of the
12 amount of student financial aid (including assistance under
13 this title, but excluding assistance from work-study pro-
14 grams) provided such student by such institution and any
15 assistance provided such student under any scholarship pro-
16 gram established by a State or a private institution or
17 organization, as determined in accordance with regulation
18 of the Commissioner. If the amount of the payment
19 determined under the preceding sentence for an academic
20 year is less than \$200 for a students, no payment shall
21 be made under this title to that student for that year. The
22 Commissioner shall, subject to the foregoing limitations, pre-
23 scribe for the guidance of participating institutions basic
24 criteria or schedules (or both) for the determination of the
25 amount of any such educational opportunity grant, taking

1 into account the objective of limiting grant aid under this
 2 title to students of exceptional financial need and such other
 3 factors, including the number of dependents in the family,
 4 as the Commissioner may deem relevant.

5 "LIMITATIONS ON GRANTS

6 "SEC. 207. The aggregate amount of educational oppor-
 7 tunity grants made by an institution of higher education in
 8 a fiscal year to undergraduate students who have not received
 9 such a grant for any preceding fiscal year may not exceed
 10 25 per centum of the Federal capital contribution made to
 11 the student loan fund for that fiscal year from funds allotted
 12 to such State under the first sentence of section 202(a) or
 13 reallocated to such State under the third sentence of section
 14 203(a).

15 "CONTRACTS TO ENCOURAGE FULL UTILIZATION OF EDU- 16 CATIONAL TALENT

17 "SEC. 208. (a) To assist in achieving the purposes of
 18 this title the Commissioner is authorized (without regard to
 19 section 3709 of the Revised Statutes (41 U.S.C. 5)), to
 20 enter into contracts, not to exceed \$100,000 per contract per
 21 year, with State and local educational agencies and other
 22 public or nonprofit organizations and institutions for the
 23 purpose of—

24 "(1) identifying qualified youths of exceptional
 25 financial need and encouraging them to complete second-

1 ary school and undertake postsecondary educational
2 training;

3 “(2) publicizing existing forms of student financial
4 aid, including aid furnished under this title; or

5 “(3) encouraging secondary school or college drop-
6 outs of demonstrated aptitude to reenter educational
7 programs, including postsecondary school programs.

8 “(b) There are hereby authorized to be appropriated
9 such sums as may be necessary to carry out this section.”

10 DISTRIBUTIONS FROM STUDENT LOAN FUNDS

11 SEC. 406. Section 209 of such Act (as redesignated by
12 section 405 of this Act) is amended by adding at the end
13 thereof the following new subsection:

14 “(d) In computing the amount of the Federal capital
15 contribution to a student loan fund for the purposes of this
16 section there shall be deducted from the Federal capital con-
17 tributions made to such fund under section 203 an amount
18 equal to the total of educational opportunity grants made
19 from such fund.”

20 AMENDMENTS TO DEFINITIONS

21 SEC. 407. (a) Section 103(b) of such Act is amended
22 to read as follows:

23 “(b) The term ‘institution of higher education’ means
24 an educational institution in any State which (1) admits as

1 regular students only persons having a certificate of gradua-
2 tion from a school providing secondary education, or the
3 recognized equivalent of such certificate, ~~(2)~~ is legally
4 authorized within such State to provide a program of educa-
5 tion beyond secondary education, ~~(3)~~ provides an educa-
6 tional program for which it awards a bachelor's degree or
7 provides not less than a two-year program which is accept-
8 able for full credit toward such a degree, ~~(4)~~ is a public
9 or other nonprofit institution, and ~~(5)~~ is accredited by a
10 nationally recognized accrediting agency or association ap-
11 proved by the Commissioner for this purpose or, if not so
12 accredited, ~~(A)~~ is an institution with respect to which the
13 Commissioner has determined that there is satisfactory assur-
14 ance, considering the resources available to the institution,
15 the period of time, if any, during which it has operated, the
16 effort it is making to meet accreditation standards, and the
17 purpose for which this determination is being made, that the
18 institution will meet the accreditation standards of such an
19 agency or association within a reasonable time, or ~~(B)~~ is an
20 institution whose credits are accepted on transfer by not less
21 than three institutions which are so accredited, for credit on
22 the same basis as if transferred from an institution so ac-
23 credited. For purposes of title II, such term includes any

1 school of nursing as defined in subsection (1) of this section;
2 and also includes any school which provides not less than a
3 one-year program of training to prepare students for gainful
4 employment in a recognized occupation and which meets
5 the provisions of clauses (1), (2), (4), and (5). If the
6 Commissioner determines that a particular category of such
7 schools does not meet the requirements of clause (5) because
8 there is no nationally recognized accrediting agency or asso-
9 ciation qualified to accredit schools in such category, he shall,
10 pending the establishment of such an accrediting agency or
11 association, appoint an advisory committee, composed of per-
12 sons specially qualified to evaluate training provided by
13 schools in such category, which shall (i) prescribe the stand-
14 ards of content, scope, and quality which must be met in
15 order to qualify schools in such category to participate in the
16 student loan program under title II, and (ii) determine
17 whether particular schools not meeting the requirements of
18 clause (5) meet these standards. For purposes of this sub-
19 section, the Commission shall publish a list of nationally
20 recognized accrediting agencies which he determines to be
21 reliable authority as to the quality of training offered."

PART B—FEDERAL, STATE, AND PRIVATE PROGRAMS OF
LOW-INTEREST INSURED LOANS TO STUDENTS IN IN-
STITUTIONS OF HIGHER EDUCATION

STATEMENT OF PURPOSE AND APPROPRIATIONS

AUTHORIZED

SEC. 421. (a) The purpose of this part is to enable
the Commissioner (1) to encourage States and nonprofit
private institutions and organizations to establish adequate
loan insurance programs for students in eligible institutions
(as defined in section 424), (2) to provide a Federal pro-
gram of student loan insurance for students who do not have
reasonable access to a State or private nonprofit program
of student loan insurance covered by an agreement under
section 428(b), and (3) to pay a portion of the interest
on loans to qualified students which are made by a State
or which are insured under this part or under a program of a
State or of a nonprofit private institution or organization
which meets the requirements of section 428(a)(1)(A).

(b) For the purpose of carrying out this part—

(1) there are authorized to be appropriated to the
student loan insurance fund (established by section 431)

1 ~~(A)~~ the sum of \$1,000,000, and ~~(B)~~ such further sums,
 2 if any, as may become necessary for the adequacy of the
 3 student loan insurance fund,

4 ~~(2)~~ there are authorized to be appropriated, for
 5 payments under section 428 with respect to interest on
 6 student loans; such sums for the fiscal year ending
 7 June 30, 1966, and succeeding fiscal years, as may be
 8 required therefor; and

9 ~~(3)~~ there are authorized to be appropriated the
 10 sum of \$17,500,000 for making advances pursuant to
 11 section 422 for the reserve funds of State and nonprofit
 12 private student loan insurance programs.

13 Sums appropriated under clauses ~~(1)~~ and ~~(2)~~ of this sub-
 14 section shall remain available until expended, and sums ap-
 15 propriated under clause ~~(3)~~ of this subsection shall remain
 16 available for advances under section 422 until the close of
 17 the fiscal year ending June 30, 1968.

18 ADVANCES FOR RESERVE FUNDS OF STATE AND NONPROFIT

19 PRIVATE LOAN INSURANCE PROGRAMS

20 SEC. 422. ~~(a)(1)~~ From the sums appropriated pursu-
 21 ant to clause ~~(3)~~ of section 421(b); the Commissioner is
 22 authorized to make advances to any State with which he
 23 has made an agreement pursuant to section 428(b) for the
 24 purpose of helping to establish or strengthen the reserve fund
 25 of the student loan insurance program covered by that agree-

1 ment. If for any of the fiscal years ending June 30, 1966,
2 June 30, 1967, or June 30, 1968, State does not have a
3 student loan insurance program covered by an agreement
4 made pursuant to section 428(b), and the Commissioner
5 determines after consultation with the chief executive officer
6 of that State that there is no reasonable likelihood that the
7 State will have such a student loan insurance program for
8 such year, the Commissioner may make advances for such
9 year for the same purpose to one or more nonprofit private
10 institutions or organization with which he has made an
11 agreement pursuant to section 428(b) in order to enable
12 students in that State to participate in a program of student
13 loan insurance covered by such an agreement. The Commis-
14 sioner may make advances under this subsection both to a
15 State program (with which he has such an agreement) and
16 to one or more nonprofit private institutions or organizations
17 (with which he has such an agreement) in that State if he
18 determines that such advances are necessary in order that
19 students at every eligible institution have access through such
20 institution to a student loan insurance program which meets
21 the requirements of section 428(b)(1).

22 (2) Advances pursuant to this subsection shall be upon
23 such terms and conditions (including conditions relating to
24 the time or times of payment) consistent with the require-

1 ments of section 428(b) as the Commissioner determines
2 will best carry out the purposes of this section. Advances
3 made by the Commissioner under this subsection shall be
4 repaid within such period as the Commissioner may deem to
5 be appropriate in each case in the light of the maturity and
6 solvency of the reserve fund for which the advance was
7 made.

8 (b) The total of the advances to any State pursuant to
9 subsection (a) may not exceed an amount which bears the
10 same ratio to $2\frac{1}{2}$ per centum of \$700,000,000 as the
11 population of that State aged eighteen to twenty-two,
12 inclusive, bears to the total population of all the States aged
13 eighteen to twenty-two, inclusive. If the amount so deter-
14 mined for any State, however, is less than \$25,000, it shall
15 be increased to \$25,000 and the total of the increases thereby
16 required shall be derived by proportionately reducing (but
17 not below \$25,000) the amount so determined for each of the
18 remaining States. Advances to nonprofit private institu-
19 tions and organizations pursuant to subsection (a) may be
20 in such amounts as the Commissioner determines will best
21 achieve the purposes for which they are made, except that
22 the sum of (1) advances to such institutions and organiza-
23 tions for the benefit of students in any State plus (2) the
24 amounts advanced to such State, may not exceed the maxi-
25 mum amount which may be advanced to that State pursuant

1 to the first two sentences of this subsection. For the pur-
 2 poses of this subsection, the population aged eighteen to
 3 twenty-two, inclusive, of each State and of all the States shall
 4 be determined by the Commissioner on the basis of the most
 5 recent satisfactory data available to him.

6 ~~EFFECT OF ADEQUATE NON-FEDERAL PROGRAMS~~

7 ~~SEC. 423.~~ The Commissioner shall not issue certificates
 8 of insurance under section 429 to lenders in a State if he
 9 determines that every eligible institution has reasonable
 10 access in that State to a State or private nonprofit student
 11 loan insurance program which is covered by an agreement
 12 under section 428(b).

13 ~~SCOPE AND DURATION OF LOAN INSURANCE PROGRAM~~

14 ~~SEC. 424.~~ (a) The total principal amount of new loans
 15 made and installments paid pursuant to lines of credit (as
 16 defined in section 434) to students covered by insurance
 17 under this part shall not exceed \$700,000,000 in the fiscal
 18 year ending June 30, 1966, \$1,000,000,000 in the fiscal
 19 year ending June 30, 1967, and \$1,400,000,000 in the fiscal
 20 year ending June 30, 1968. Thereafter, insurance pur-
 21 suant to this part may be granted only for loans made (or
 22 for loan installments paid pursuant to lines of credit) to
 23 enable students, who have obtained prior loans insured
 24 under this part, to continue or complete their educational

1 program; but no insurance may be granted for any loan
 2 made or installment paid after June 30, 1972.

3 (b) The Commissioner may, if he finds it necessary to
 4 do so in order to assure an equitable distribution of the bene-
 5 fits of this part, assign, within the maximum amounts speci-
 6 fied in subsection (a), insurance quotas applicable to eligible
 7 lenders, or to States or areas, and may from time to time
 8 reassign unused portions of these quotas.

9 LIMITATIONS ON INDIVIDUAL LOANS AND ON INSURANCE

10 SEC. 425. (a) The total of the loans made to a student
 11 in any academic year or its equivalent (as determined under
 12 regulations of the Commissioner) which may be covered
 13 by insurance under this part may not exceed \$1,500 in the
 14 case of a graduate or professional student (as defined in
 15 regulations of the Commissioner), or \$1,000 in the case of
 16 any other student. The aggregate insured unpaid principal
 17 amount of all such insured loans made to any student shall
 18 not at any time exceed \$7,500 in the case of any graduate
 19 or professional student (as defined in regulations of the
 20 Commissioner, and including any such insured loans made
 21 to such person before he became a graduate or professional
 22 student), or \$5,000 in the case of any other student. The
 23 annual insurable limit per student shall not be deemed to be
 24 exceeded by a line of credit under which actual payments

1 by the lender to the borrower will not be made in any year
2 in excess of the annual limit.

3 ~~(b)~~ The insurance liability on any loan insured under
4 this part shall be 100 per centum of the unpaid balance
5 of the principal amount of the loan. Such insurance liability
6 shall not include liability for interest whether or not that
7 interest has been added to the principal amount of the loan.

8 SOURCES OF FUNDS

9 SEC. 426. Loans made by eligible lenders in accord-
10 ance with this part shall be insurable whether made from
11 funds fully owned by the lender or from funds held by the
12 lender in a trust or similar capacity and available for such
13 loans.

14 ELIGIBILITY OF STUDENT BORROWERS AND TERMS OF

15 STUDENT LOANS

16 SEC. 427. ~~(a)~~ A loan by an eligible lender shall be
17 insurable under the provisions of this part only if—

18 ~~(1)~~ made to a student who ~~(A)~~ has been accepted
19 for enrollment at an eligible institution or, in the case
20 of a student already attending such institution, is in good
21 standing there as determined by the institution, and
22 ~~(B)~~ is carrying at least one-half of the normal full time
23 workload as determined by the institution, and ~~(C)~~ has

provided the lender with a statement of the institution which sets forth a schedule of the tuition and fees applicable to that student and its estimate of the cost of board and room for such a student; and

~~(2)~~ evidenced by a note or other written agreement which—

~~(A)~~ is made without security and without endorsement, except that if the borrower is a minor and such note or other written agreement executed by him would not, under the applicable law, create a binding obligation, endorsement may be required,

~~(B)~~ provides for repayment ~~(except as provided in subsection (c))~~ of the principal amount of the loan in installments over a period of not less than five years ~~(unless sooner repaid)~~ nor more than ten years beginning not earlier than six months nor later than one year after the date on which the student ceases to carry at an eligible institution at least one-half the normal full-time academic workload as determined by the institution, except that ~~(i)~~ the period of the loan may not exceed fifteen years from the execution of the note or written agreement evidencing it and ~~(ii)~~ the note or other written instrument may contain such provisions relating to repayment in the event of default in the

1 payment of interest or in the payment of the cost
2 of insurance premiums; or other default by the
3 borrower; as may be authorized by regulations of
4 the Commissioner in effect at the time the loan is
5 made;

6 ~~(C)~~ provides for interest on the unpaid principal
7 balance of the loan at a yearly rate; not exceeding
8 the applicable maximum rate prescribed and
9 defined by the Secretary ~~(within the limits set forth~~
10 ~~in subsection (b))~~ on a national, regional, or other
11 appropriate basis; which interest shall be payable in
12 installments over the period of the loan except that,
13 if provided in the note or other written agreement,
14 any interest payable by the student may be deferred
15 until not later than the date upon which repayment
16 of the first installment of principal falls due; in which
17 case interest that has so accrued during that period
18 may be added on that date to the principal ~~(but~~
19 ~~without thereby increasing the insurance liability~~
20 ~~under this part);~~

21 ~~(D)~~ provides that the lender will not collect or
22 attempt to collect from the borrower any portion of
23 the interest on the note which is payable by the
24 Commissioner under this part;

25 ~~(E)~~ Entitles the student borrower to accelerate

1 without penalty repayment of the whole or any
2 part of the loan, and

3 ~~(F)~~ contains such other terms and conditions;
4 consistent with the provisions of this part and with
5 the regulations issued by the Commissioner pur-
6 suant to this part, as may be agreed upon by the
7 parties to such loan, including, if agreed upon, a pro-
8 vision requiring the borrower to pay to the lender, in
9 addition to principal and interest, amounts equal to
10 the insurance premiums payable by the lender to
11 the Commissioner with respect to such loan.

12 ~~(b)~~ No maximum rate of interest prescribed and de-
13 fined by the Secretary for the purposes of clause ~~(2)~~ ~~(C)~~
14 of subsection ~~(a)~~ may exceed 6 per centum per annum on
15 the unpaid principal balance of the loan, except that under
16 circumstances which threaten to impede the carrying out of
17 the purposes of this part, one or more of such maximum
18 rates of interest may be as high as 7 per centum per annum
19 on the unpaid principal balance of the loan.

20 ~~(c)~~ The total of the payments by a borrower during
21 any year of any repayment period with respect to the aggre-
22 gate amount of all loans to that borrower which are insured
23 under this part shall not be less than \$360 or the balance
24 of all of such loans ~~(together with interest thereon)~~, which-
25 ever amount is less.

1 FEDERAL PAYMENTS TO REDUCE STUDENT INTEREST COSTS

2 SEC. 428. ~~(a)(1)~~ Each student who has received a
3 loan—

4 ~~(A)~~ which is insured under this part;

5 ~~(B)~~ which was made for study at an eligible insti-
6 tution under a State student loan program ~~(meeting cri-~~
7 ~~teria prescribed by the Commissioner)~~, and which was
8 contracted for, and paid to the student, within the period
9 specified by paragraph ~~(4)~~; or

10 ~~(C)~~ which is insured under a program of a State
11 or of a nonprofit private institution or organization,
12 which was contracted for, and paid to the student, within
13 the period specified in paragraph ~~(4)~~, and which—

14 ~~(i)~~ in the case of a loan insured prior to July
15 , 1967, was made by an eligible lender and is
16 insured under a program which meets the require-
17 ments of subparagraph ~~(E)~~ of subsection ~~(b)(1)~~
18 and provides that repayment of such loan shall be
19 in installments beginning not earlier than sixty days
20 after the student ceases to pursue a course of study
21 ~~(as described in subparagraph (D) of subsection~~
22 ~~(b)(1))~~ at an eligible institution; or

23 ~~(ii)~~ in the case of a loan insured after June
24 30, 1967, is insured under a program covered by
25 an agreement made pursuant to subsection ~~(b)~~;

1 and whose adjusted family income is less than \$15,000 at the
2 time of execution of the note or written agreement evidencing
3 such loan, shall be entitled to have paid on his behalf and for
4 his account to the holder of the loan, over the period of the
5 loan, a portion of the interest on the loan. For the purposes
6 of this paragraph, the adjusted family income of a student
7 shall be determined pursuant to regulations of the Commis-
8 sioner in effect at the time of the execution of the note or
9 written agreement evidencing the loan. Such regulations
10 shall provide for taking into account such factors, including
11 family size, as the Commissioner deems appropriate.

12 ~~(2)~~ The portion of the interest on a loan which a stu-
13 dent is entitled to have paid on his behalf and for his account
14 to the holder of the loan pursuant to paragraph ~~(1)~~ shall be
15 equal to the total amount of the interest on the unpaid prin-
16 cipal amount of the loan which accrues prior to the beginning
17 of the repayment period of the loan, and 3 per centum per
18 annum of the unpaid principal amount of the loan (excluding
19 interest which has been added to principal) thereafter; but
20 such portion of the interest on a loan shall not exceed, for any
21 period, the amount of the interest on that loan which is pay-
22 able by the student after taking into consideration the
23 amount of any interest on that loan which the student is
24 entitled to have paid on his behalf for that period under any
25 State or private loan insurance program. In the absence of

1 fraud by the lender, that determination shall be final so far
2 as the obligation of the Commissioner to pay a portion of the
3 interest on a loan is concerned. The holder of a loan with
4 respect to which payments are required to be made under
5 this section shall be deemed to have a contractual right,
6 as against the United States, to receive from the Com-
7 missioner the portion of interest which has been so deter-
8 mined. The Commissioner shall pay this portion of the inter-
9 est to the holder of the loan on behalf of and for the
10 account of the borrower at such times as may be specified in
11 regulations in force when the applicable agreement entered
12 into pursuant to subsection (b) was made, or if the loan was
13 made by a State or is insured under a program which is
14 not covered by such an agreement, at such times as may
15 be specified in regulations in force at the time the loan was
16 paid to the student.

17 (3) Each holder of a loan with respect to which pay-
18 ments of interest are required to be made by the Commis-
19 sioner shall submit to the Commissioner, at such time or
20 times and in such manner as he may prescribe, statements
21 containing such information as may be required by or pur-
22 suant to regulation for the purpose of enabling the Com-
23 missioner to determine the amount of the payment which he
24 must make with respect to that loan.

25 (4) The period referred to in subparagraphs (B) and

1 ~~(C)~~ of paragraph ~~(1)~~ of this subsection shall begin on the
 2 date of enactment of this Act and end on June 30, 1968,
 3 except that, in the case of a loan made or insured under a
 4 student loan or loan insurance program, to enable a student
 5 who has obtained a prior loan made or insured under such
 6 program to continue his educational program, such period
 7 shall end on June 30, 1972.

8 ~~(5)~~No payment may be made under this section with
 9 respect to the interest on a loan made from a student loan
 10 fund established under title II of the National Defense
 11 Education Act of 1958.

12 ~~(b)(1)~~ Any State or any nonprofit private institution
 13 or organization may enter into an agreement with the Com-
 14 missioner for the purpose of entitling students who receive
 15 loans which are insured under a student loan insurance pro-
 16 gram of that State, institution, or organization to have
 17 made on their behalf payments equal to those provided for
 18 in subsection ~~(a)~~ if the Commissioner determines that the
 19 student loan insurance program—

20 ~~(A)~~ authorizes the insurance of not less than
 21 \$1,000 nor more than \$1,500 in loans to any individual
 22 student in any academic year or its equivalent (as de-
 23 termined under regulations of the Commissioner);

24 ~~(B)~~ authorizes the insurance of loans to any in-
 25 dividual student for at least six academic years of study

1 or their equivalent (as determined under regulations
2 of the Commissioner);

3 ~~(C)~~ provides that ~~(i)~~ the student borrower shall
4 be entitled to accelerate without penalty the whole or
5 any part of an insured loan, ~~(ii)~~ the period of any
6 insured loan may not exceed fifteen years from the date
7 of execution of the note or other written evidence of the
8 loan, and ~~(iii)~~ the note or other written evidence of
9 any loan may contain such provisions relating to repay-
10 ment in the event of default by the borrower as may be
11 authorized by regulations of the Commissioner in effect
12 at the time such note or written evidence was executed;

13 ~~(D)~~ subject to subparagraph ~~(C)~~, provides that,
14 where the total of the insured loans to any student which
15 are held by any one person exceeds \$2,000, repayment
16 of such loans shall be in installments over a period of not
17 less than five years nor more than ten years beginning
18 not earlier than six months nor later than one year after
19 the student ceases to pursue a full-time course of study at
20 an eligible institution, except that if the program pro-
21 vides for the insurance of loans for part-time study at
22 eligible institutions the program shall provide that such
23 repayment period shall begin not earlier than six months
24 nor later than one year after the student ceases to carry

1 at an eligible institution at least one-half the normal full-
2 time academic workload as determined by the institution;

3 ~~(E)~~ authorizes interest on the unpaid balance of
4 the loan at a yearly rate not in excess of 6 per centum
5 per annum on the unpaid principal balance of the loan
6 ~~(exclusive of any premium for insurance which may be~~
7 ~~passed on to the borrower)~~;

8 ~~(F)~~ insures not less than 80 per centum of the
9 unpaid principal of loans insured under the program;

10 ~~(G)~~ does not provide for collection of an excessive
11 insurance premium;

12 ~~(H)~~ provides that the benefits of the loan insur-
13 ance program will not be denied any student because
14 of his family income or lack of need if his adjusted
15 family income at the time the note or written agreement
16 is executed is less than \$15,000 ~~(as determined pursuant~~
17 ~~to the regulations of the Commissioner prescribed under~~
18 ~~section 428(a)(1))~~;

19 ~~(I)~~ provides that a student may obtain insurance
20 under the program for a loan for any year of study at
21 an eligible institution; and

22 ~~(J)~~ in the case of a State program, provides that
23 such State program is administered by a single State

1 agency, or by one or more nonprofit private institutions
2 or organizations under the supervision of a single State
3 agency.

4 ~~(2)~~ Such an agreement shall—

5 ~~(A)~~ provide that the holder of any such loan will
6 be required to submit to the Commissioner, at such time
7 or times and in such manner as he may prescribe, state-
8 ments containing such information as may be required
9 by or pursuant to regulation for the purpose of enabling
10 the Commissioner to determine the amount of the pay-
11 ment which he must make with respect to that loan;

12 ~~(B)~~ include such other provisions as may be neces-
13 sary to protect the financial interest of the United States
14 and promote the purposes of this part and as are agreed
15 to by the Commissioner and the State or private orga-
16 nization or institution; and

17 ~~(C)~~ provide for making such reports in such form
18 and containing such information as the Commissioner
19 may reasonably require to carry out his function under
20 this part and for keeping such records and for affording
21 such access thereto as the Commissioner may find neces-
22 sary to assure the correctness and verification of such
23 reports.

**CERTIFICATES OF INSURANCE—EFFECTIVE DATE OF
INSURANCE**

3 SEC. 429. (a)(1) If, upon application by an eligible
4 lender, made upon such form, containing such information,
5 and supported by such evidence as the Commissioner may
6 require, and otherwise in conformity with this section, the
7 Commissioner finds that the applicant has made a loan to
8 an eligible student which is insurable under the provisions of
9 this part, he may issue to the applicant a certificate of in-
10 surance covering the loan and setting forth the amount and
11 terms of the insurance.

12 ~~(2)~~ Insurance evidenced by a certificate of insurance
13 pursuant to subsection ~~(a)(1)~~ shall become effective upon
14 the date of issuance of the certificate, except that the Com-
15 missioner is authorized, in accordance with regulations, to
16 issue commitments with respect to proposed loans, or with
17 respect to lines ~~(or proposed lines)~~ of credit, submitted by
18 eligible lenders, and in that event, upon compliance with
19 subsection ~~(a)(1)~~ by the lender, the certificate of insurance
20 may be issued effective as of the date when any loan, or any
21 payment by the lender pursuant to a line of credit, to be
22 covered by such insurance was made. Such insurance shall
23 cease to be effective upon sixty days' default by the
24 lender in the payment of any installment of the premiums
25 payable pursuant to subsection ~~(c)~~.

1 ~~(3)~~ An application submitted pursuant to subsection
2 ~~(a)(1)~~ shall contain ~~(A)~~ an agreement by the applicant
3 to pay, in accordance with regulations, the premiums fixed by
4 the Commissioner pursuant to subsection ~~(c)~~; and ~~(B)~~ an
5 agreement by the applicant that if the loan is covered by
6 insurance the applicant will submit such supplementary re-
7 ports and statements during the effective period of the loan
8 agreement, upon such forms, at such times, and containing
9 such information as the Commissioner may prescribe by or
10 pursuant to regulation.

11 ~~(b)(1)~~ In lieu of requiring a separate insurance appli-
12 cation and issuing a separate certificate of insurance for
13 each student loan made by an eligible lender as provided in
14 subsection ~~(a)~~, the Commissioner may, in accordance with
15 regulations consistent with section 424, issue to any eligible
16 lender applying therefor a certificate of comprehensive in-
17 surance coverage which shall, without further action by
18 the Commissioner, insure all insurable loans made by that
19 lender, on or after the date of the certificate and before a
20 specified cutoff date, within the limits of an aggregate maxi-
21 mum amount stated in the certificate. Such regulations
22 may provide for conditioning such insurance, with respect
23 to any loan, upon compliance by the lender with such re-
24 quirements ~~(to be stated or incorporated by reference in the~~
25 ~~certificate)~~ as in the Commissioner's judgment will best

1 achieve the purpose of this subsection while protecting the
2 financial interest of the United States and promoting the
3 objectives of this part, including (but not limited to) pro-
4 visions as to the reporting of such loans and information
5 relevant thereto to the Commissioner and as to the payment
6 of initial and other premiums and the effect of default there-
7 in; and including provision for confirmation by the Com-
8 missioner from time to time (through endorsement of the
9 certificate) of the coverage of specific new loans by such
10 certificate, which confirmation shall be incontestable by the
11 Commissioner in the absence of fraud or misrepresentation
12 of fact or patent error.

13 (2) If the holder of a certificate of comprehensive in-
14 surance issued under this subsection grants to a student a
15 line of credit extending beyond the cutoff date specified in
16 that certificate, loans or payments thereon made by the
17 holder after that date pursuant to the line of credit shall
18 not be deemed to be included in the coverage of that
19 certificate except as may be specifically provided therein;
20 but, subject to the limitations of section 424, the Com-
21 missioner may, in accordance with regulations, make com-
22 mitments to insure such future loans or payments, and
23 such commitments may be honored either as provided in
24 subsection (a) or by inclusion of such insurance in com-
25 prehensive coverage under this subsection for the period

1 or periods in which such future loans or payments are
2 made.

3 ~~(c)~~ The Commissioner shall, pursuant to regulations,
4 charge for insurance on each loan under this part a pre-
5 mium in an amount not to exceed one-fourth of 1 per
6 centum per year of the unpaid principal amount of such
7 loan ~~(excluding interest added to principal)~~, payable in
8 advance, at such time and in such manner as may be pre-
9 scribed by the Commissioner. Such regulations may provide
10 that such premium shall not be payable, or if paid shall
11 be refundable, with respect to any period after default in
12 the payment of principal or interest or after the borrower
13 has died or becomes totally and permanently disabled, if
14 ~~(1)~~ notice of such default or other event has been duly
15 given, and ~~(2)~~ request for payment of the loss insured
16 against has been made or the Commissioner has made such
17 payment on his own motion pursuant to section 430(a).

18 ~~(d)~~ The rights of an eligible lender arising under
19 insurance evidenced by a certificate of insurance issued to
20 it under this section may be assigned as security by such
21 lender only to another eligible lender, and subject to regula-
22 tion by the Commissioner.

23 ~~(e)~~ The consolidation of the obligations of two or more
24 insured loans obtained by a student borrower in any fiscal

1 year into a single obligation evidenced by a single instru-
 2 ment of indebtedness shall not affect the insurance by the
 3 United States. If the loans thus consolidated are covered
 4 by separate certificates of insurance issued under subsection
 5 (a), the Commissioner may upon surrender of the original
 6 certificates issues a new certificate of insurance in accordance
 7 with that subsection upon the consolidated obligation; if
 8 they are covered by a single comprehensive certificate
 9 issued under subsection (b), the Commissioner may amend
 10 that certificate accordingly.

11 PROCEDURE ON DEFAULT, DEATH, OR DISABILITY OF
 12 STUDENT

13 SEC. 430. (a) Upon default by the student borrower
 14 on any loan covered by insurance pursuant to this title, or
 15 upon the death of the student borrower or a finding by
 16 the insurance beneficiary that the borrower has become
 17 totally and permanently disabled (as determined in accord-
 18 ance with regulations established by the Commissioner)
 19 before the loan has been repaid in full, and prior to the
 20 commencement of suit or other enforcement proceeding
 21 upon security for that loan, the insurance beneficiary shall
 22 promptly notify the Commissioner, and the Commissioner
 23 shall if requested (at that time or after further collection
 24 efforts) by the beneficiary, or may on his own motion, if the
 25 insurance is still in effect, pay to the beneficiary the amount

1 of the loss sustained by the insured upon that loan as soon
2 as that amount has been determined. The "amount of the
3 loss" on any loan shall, for the purposes of this subsection
4 and subsection (b), be deemed to be an amount equal to
5 the unpaid balance of the principal amount of the loan.

6 (b) Upon payment by the Commissioner of the insured
7 portion of the loss pursuant to subsection (a), the United
8 States shall be subrogated to all of the rights of the holder of
9 the obligation upon the insured loan and shall be entitled to
10 an assignment of the note or other evidence of the insured
11 loan by the insurance beneficiary. If the net recovery made
12 by the Commissioner on a loan after deduction of the cost of
13 that recovery (including reasonable administrative costs)
14 exceeds the amount of the loss, the excess shall be paid
15 over to the insured.

16 (c) Nothing in this section or in this part shall be con-
17 strued to preclude any forbearance for the benefit of the stu-
18 dent borrower which may be agreed upon by the parties to
19 the insured loan and approved by the Commissioner, or to
20 preclude forbearance by the Commissioner in the enforce-
21 ment of the insured obligation after payment on that insur-
22 ance, or to require collection of the amount of any loan by
23 the insurance beneficiary or by the Commissioner from the
24 estate of a deceased borrower or from a borrower found by

1 the insurance beneficiary to have become permanently and
2 totally disabled.

3 ~~(d)~~ Nothing in this section or in this part shall be con-
4 strued to excuse the holder of a loan from exercising reason-
5 able care and diligence in the making and collection of loans
6 under the provisions of this part. If the Commissioner, after
7 reasonable notice and opportunity for hearing to an eligible
8 lender, finds that it has substantially failed to exercise such
9 care and diligence or to make the reports and statements re-
10 quired under section 428(a)(3) and section 429(a)(3);
11 or to pay the required insurance premiums, he shall dis-
12 qualify that lender for further insurance on loans granted
13 pursuant to this part until he is satisfied that its failure has
14 ceased and finds that there is reasonable assurance that the
15 lender will in the future exercise necessary care and diligence
16 or comply with such requirements, as the case may be.

17 ~~(e)~~ As used in this section—

18 ~~(1)~~ the term “insurance beneficiary” means the
19 insured or its authorized assignee in accordance with
20 section 429(d); and

21 ~~(2)~~ the term “default” includes only such defaults
22 as have existed for ~~(A)~~ one hundred and twenty days
23 in the case of a loan which is repayable in monthly in-
24 stallments, or ~~(B)~~ one hundred and eighty days in the

1 ease of a loan which is repayable in less frequent
2 installments.

3 INSURANCE FUND

4 SEC. 431. (a) There is hereby established a student
5 loan insurance fund (hereinafter in this section called the
6 "fund") which shall be available without fiscal year limita-
7 tion to the Commissioner for making payments in connection
8 with the default of loans insured under this part. All
9 amounts received by the Commissioner as premium charges
10 for insurance and as receipts, earnings, or proceeds derived
11 from any claim or other assets acquired by the Commis-
12 sioner in connection with his operations under this part,
13 and any other moneys, property, or assets derived by the
14 Commissioner from his operations in connection with this
15 section, shall be deposited in the fund. All payments in
16 connection with the default of loans insured under this part
17 shall be paid from the fund. Moneys in the fund not needed
18 for current operations under this section may be invested
19 in bonds or other obligations guaranteed as to principal and
20 interest by the United States.

21 (b) If at any time the moneys in the fund are insuffi-
22 cient to make payments in connection with the default of any
23 loan insured under this part, the Commissioner is authorized
24 to issue to the Secretary of the Treasury notes or other ob-

1 ligations in such forms and denominations, bearing such ma-
2 turities, and subject to such terms and conditions as may be
3 prescribed by the Commissioner with the approval of the
4 Secretary of the Treasury. Such notes or other obligations
5 shall bear interest at a rate determined by the Secretary of
6 the Treasury, taking into consideration the current average
7 market yield on outstanding marketable obligations of the
8 United States of comparable maturities during the month
9 preceding the issuance of the notes or other obligations.
10 The Secretary of the Treasury is authorized and directed to
11 purchase any notes and other obligations issued hereunder
12 and for that purpose he is authorized to use as a public debt
13 transaction the proceeds from the sale of any securities issued
14 under the Second Liberty Bond Act, as amended, and the
15 purposes for which securities may be issued under that Act,
16 as amended, are extended to include any purchases of such
17 notes and obligations. The Secretary of the Treasury may
18 at any time sell any of the notes or other obligations ac-
19 quired by him under this subsection. All redemptions, pur-
20 chases, and sales by the Secretary of the Treasury of such
21 notes or other obligations shall be treated as public debt
22 transactions of the United States. Sums borrowed under
23 this subsection shall be deposited in the fund and redemption
24 of such notes and obligations shall be made by the Commis-
25 sioner from such fund.

LEGAL POWERS AND RESPONSIBILITIES

SEC. 432: (a) In the performance of, and with respect to, the functions, powers, and duties vested in him by this part, the Commissioner may—

(1) prescribe such regulations as may be necessary to carry out the purposes of this part;

(2) sue and be sued in any court of record of a State having general jurisdiction or in any district court of the United States, and such district courts shall have jurisdiction in civil actions arising under this part without regard to the amount in controversy, and any action instituted under this subsection by or against the Commissioner shall survive notwithstanding any change in the person occupying the office of Commissioner or any vacancy in that office; but no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against the Commissioner or property under his control, and nothing herein shall be construed to except litigation arising out of activities under this part from the application of sections 507(b) and 2679 of title 28 of the United States Code and of section 367 of the Revised Statutes (5 U.S.C. 316);

(3) include in any contract for insurance such terms, conditions, and covenants relating to repayment of principal and payment of interest, relating to his ob-

ligations and rights and to those of eligible lenders, and
 borrowers in case of default, and relating to such other
 matters as the Commissioner determines to be necessary
 to assure that the purposes of this part will be achieved;
 and any term, condition, and covenant made pursuant
 to this clause or any other provisions of this part may
 be modified by the Commissioner if he determines that
 modification is necessary to protect the financial interest
 of the United States;

~~(4)~~ subject to the specific limitations in this part,
 consent to the modification, with respect to rate of inter-
 est, time of payment of any installment of principal and
 interest or any portion thereof, or any other provision
 of any note or other instrument evidencing a loan which
 has been insured under this part;

~~(5)~~ enforce, pay, or compromise, any claim on, or
 arising because of, any such insurance; and

~~(6)~~ enforce, pay, compromise, waive, or release
 any right, title, claim, lien, or demand, however ac-
 quired, including any equity or any right of redemption.

~~(b)~~ The Commissioner shall, with respect to the finan-
 cial operations arising by reason of this part—

~~(1)~~ prepare annually and submit a budget program
 as provided for wholly owned Government corporations
 by the Government Corporation Control Act; and

(2) maintain with respect to insurance under this part an integral set of accounts, which shall be audited annually by the General Accounting Office in accordance with principles and procedures applicable to commercial corporate transactions, as provided by section 105 of the Government Corporation Control Act, except that the transactions of the Commissioner, including the settlement of insurance claims and of claims for payments pursuant to section 428, and transactions related thereto and vouchers approved by the Commissioner in connection with such transactions, shall be final and conclusive upon all accounting and other officers of the Government.

PARTICIPATION BY FEDERAL CREDIT UNIONS IN FEDERAL, STATE, AND PRIVATE STUDENT LOAN INSURANCE PROGRAMS

SEC. 433. Notwithstanding any other provision of law, Federal credit unions shall, pursuant to regulations of the Director of the Bureau of Federal Credit Unions, have power to make insured loans up to 10 per centum of their assets, to student members in accordance with the provisions of this part or in accordance with the provisions of any State or nonprofit private student loan insurance program with respect to which there is in effect an agreement with the Commissioner under section 428(b).

1 ~~DEFINITIONS FOR REDUCED-INTEREST STUDENT LOAN~~

2 ~~INSURANCE PROGRAM~~

3 ~~SEC. 434.~~ As used in this part:

4 ~~(a)~~ The term “eligible institution” means an institution
5 described in the first sentence of section 701(a).

6 ~~(b)~~ The term “eligible lender” means an eligible insti-
7 tution; an agency or instrumentality of a State; or a financial
8 or credit institution (including an insurance company)
9 which is subject to examination and supervision by an
10 agency of the United States or of any State.

11 ~~(c)~~ The term “line of credit” means an arrangement
12 or agreement between the lender and the borrower whereby
13 a loan is paid out by the lender to the borrower in annual
14 installments; or whereby the lender agrees to make, in addi-
15 tion to the initial loan, additional loans in subsequent years.

16 ~~PART C—COLLEGE WORK-STUDY PROGRAM EXTENSION~~

17 ~~AND AMENDMENTS~~

18 ~~TRANSFER OF AUTHORITY, AND OTHER AMENDMENTS~~

19 ~~SEC. 441.~~ Effective July 1, 1965, part C of title I of
20 the Economic Opportunity Act of 1964 (Public Law 88-
21 452) is amended as follows:

22 ~~(1)~~ By striking out “Director” in the first sentence
23 of section 122(a) and inserting in lieu thereof “Com-
24 missioner of Education (hereinafter in this part referred
25 to as the ‘Commissioner’)”, and by striking out “Direc-

1 tor" wherever that word appears in the other provisions
2 of such part C and inserting in lieu thereof "Commis-
3 sioner";

4 (2) By amending that part of section 124 that fol-
5 lows the section designation to read as follows: "The
6 purpose of this part is to stimulate and promote the part-
7 time employment of students, particularly students from
8 low-income families, in institutions of higher education
9 who are in need of the earnings from such employment
10 to pursue courses of study at such institutions.";

11 (3) By redesignating clauses (2), (3), and (4),
12 of paragraph (c) of section 124 as clauses (1), (2),
13 and (3), and by striking out so much of such paragraph
14 as precedes such redesignated clauses and inserting in
15 lieu thereof the following: "(c) provide that in the se-
16 lection of students for employment under such work
17 study program preference shall be given to students
18 from low-income families and that employment under
19 such work study program shall be furnished only to a
20 student who";

21 (4) By striking out "June 30, 1966," in paragraph
22 (f) of section 124 and inserting in lieu thereof "June 30,
23 1967,"; and

24 (5) By striking out "(as defined by section 401(f))
25 of the Higher Education Facilities Act of 1963 (Public

1 Law 88-204)” in section 123 and inserting in lieu there-
 2 of “(as defined by section 103(b) of the National De-
 3 fense Education Act of 1958 for purposes of title II of
 4 that Act)”.

5 APPROPRIATIONS AUTHORIZED

6 SEC. 442. There are authorized to be appropriated
 7 \$129,000,000 for the fiscal year ending June 30, 1966, and
 8 such sums as the Congress may hereafter authorize by law
 9 for each of the four succeeding years, to carry out the pur-
 10 poses of part C of title I of the Economic Opportunity Act of
 11 1964 (Public Law 88-452). Any sums which, prior to the
 12 enactment of this Act, were appropriated for carrying out
 13 such part C of that title for the fiscal year ending June 30,
 14 1966, or were allocated from an applicable appropriation for
 15 that purpose, and which have not been expended prior to the
 16 date of the enactment of this Act, shall be available to the
 17 Commissioner for carrying out such part C.

18 CONFORMING AMENDMENT

19 SEC. 443. Part D of title I of the Economic Oppor-
 20 tunity Act of 1964 (Public Law 88-452) is amended to
 21 read as follows:

22 “PART D—AUTHORIZATION OF APPROPRIATIONS

23 “SEC. 131. The Director shall carry out the programs
 24 provided for in parts A and B of this title during the fiscal
 25 year ending June 30, 1965, and each of the two succeeding

1 fiscal years, and he shall carry out the program provided for
 2 in part C of this title during the fiscal year ending June 30,
 3 1965. For this purpose there is hereby authorized to be
 4 appropriated the sum of \$412,500,000 for the fiscal year
 5 ending June 30, 1965; and for the fiscal year ending June
 6 30, 1966, and the fiscal year ending June 30, 1967, such
 7 sums may be appropriated as the Congress may hereafter
 8 authorize by law.”

9 **TITLE V—~~AMENDMENTS TO HIGHER EDUCATION~~**
 10 **~~FACILITIES ACT OF 1963~~**

11 **~~AUTHORIZATION FOR CONSTRUCTION OF UNDERGRADUATE~~**
 12 **~~FACILITIES~~**

13 **SEC. 501.** The first sentence of section 101(b) of the
 14 Higher Education Facilities Act of 1963 is amended by strik-
 15 ing out “and each of the two succeeding fiscal years” and
 16 inserting in lieu thereof the following: “and for the succeed-
 17 ing fiscal year; and the sum of \$460,000,000 for the fiscal
 18 year ending June 30, 1966”.

19 **~~PUBLIC JUNIOR COLLEGES AND TECHNICAL INSTITUTES~~**

20 **SEC. 502.** (a) Section 105(a)(2) of the Higher Edu-
 21 cation Facilities Act of 1963 is amended by striking out
 22 “other than a project for a public community college or pub-
 23 lic technical institute”.

24 (b) Section 107(b) of such Act is amended (1) by
 25 striking out “other than a project for a public community

1 college or public technical institute", and (2) by striking
 2 out "shall be 40 per centum" and inserting in lieu thereof
 3 "shall in no event exceed 40 per centum".

4 (c) Section 401(d) of the Higher Education Facilities
 5 Act of 1963 is amended by inserting immediately before "40
 6 per centum" the following: "a percentage (as determined
 7 under the applicable State plan) not in excess of".

8 AUTHORIZATION FOR CONSTRUCTION OF GRADUATE
 9 FACILITIES

10 SEC. 503. The second sentence of section 201 of the
 11 Higher Education Facilities Act of 1963 is amended by
 12 striking out "and the sum of \$60,000,000 each for the fiscal
 13 year ending June 30, 1965, and the succeeding fiscal year"
 14 and inserting in lieu thereof the following: "the sum of
 15 \$60,000,000 for the fiscal year ending June 30, 1965, and
 16 the sum of \$120,000,000 for the fiscal year ending June 30,
 17 1966".

18 DELETION OF CATEGORIES OF CONSTRUCTION

19 SEC. 504. Section 106 of the Higher Education Facili-
 20 ties Act of 1963 is amended by striking out "(1) in the case
 21 of an institution of higher education other than a public com-
 22 munity college or public technical institute, only if such
 23 construction is limited to structures, or portions thereof,
 24 especially designed for instruction or research in the natural

1 or physical sciences, mathematics, modern foreign languages,
2 or engineering, or for use as a library, and (2)''.

3 TITLE VI—GENERAL PROVISIONS

4 DEFINITIONS

5 SEC. 601. As used in this Act—

6 (a) The term "institution of higher education" means
7 an educational institution in any State which (1) admits as
8 regular students only persons having a certificate of gradu-
9 ation from a school providing secondary education, or the
10 recognized equivalent of such certificate, (2) is legally au-
11 thorized within such State to provide a program of education
12 beyond secondary education, (3) provides an educational
13 program for which it awards a bachelor's degree or provides
14 not less than a two-year program which is acceptable for
15 full credit toward such a degree, (4) is a public or other
16 nonprofit institution, and (5) is accredited by a nationally
17 recognized accrediting agency or association or, if not so
18 accredited, is an institution whose credits are accepted, on
19 transfer, by not less than three institutions which are so
20 accredited, for credit on the same basis as if transferred
21 from an institution so accredited. Such term also includes
22 any business school or technical institution which meets the
23 provisions of clauses (1), (2), (4), and (5). For pur-
24 poses of this subsection, the Commissioner shall publish a

1 list of nationally recognized accrediting agencies or associa-
 2 tions which he determines to be reliable authority as to the
 3 quality of training offered.

4 (b) The term "State" includes, in addition to the several
 5 States of the Union, the Commonwealth of Puerto Rico,
 6 the District of Columbia, Guam, American Samoa, and the
 7 Virgin Islands.

8 (c) The term "nonprofit" as applied to a school, agency,
 9 organization, or institution means a school, agency, organiza-
 10 tion, or institution owned and operated by one or more non-
 11 profit corporations or associations no part of the net earnings
 12 of which inures, or may lawfully inure, to the benefit of any
 13 private shareholder or individual.

14 (d) The term "secondary school" means a school which
 15 provides secondary education as determined under State law
 16 except that it does not include any education provided be-
 17 yond grade 12.

18 (e) The term "Secretary" means the Secretary of
 19 Health, Education, and Welfare.

20 (f) The term "Commissioner" means the Commissioner
 21 of Education.

22 METHOD OF PAYMENT

23 SEC. 602. Payments under this Act to any individual
 24 or to any State or Federal agency, institution of higher edu-
 25 cation, or any other organization, pursuant to a grant, loan,

1 or contract, may be made in installments, and in advance
2 or by way of reimbursement, and, in the case of grants or
3 loans, with necessary adjustments on account of overpay-
4 ments or underpayments.

5 FEDERAL ADMINISTRATION

6 SEC. 603. (a) The Commissioner is authorized to dele-
7 gate any of his functions under this Act, except the making
8 of regulations, to any officer or employee of the Office of
9 Education.

10 (b) In administering the titles of this Act for which
11 he is responsible, the Commissioner is authorized to utilize
12 the services and facilities of any agency of the Federal Gov-
13 ernment and of any other public or nonprofit agency or
14 institution, in accordance with agreements between the Sec-
15 retary and the head thereof.

16 FEDERAL CONTROL OF EDUCATION PROHIBITED

17 SEC. 604. Nothing contained in this Act or any other
18 Act shall be construed to authorize any department, agency,
19 officer, or employee of the United States to exercise any
20 direction, supervision, or control over the curriculum, pro-
21 gram of instruction, administration, or personnel of any
22 educational institution, or over the selection of library re-
23 sources by any educational institution; or the membership
24 practices or internal operations of any fraternal organiza-

tion, fraternity or sorority, any private club or any religious organization of any institution of higher education. That this Act may be cited as the "Higher Education Act of 1965".

TITLE I—COLLEGE AND UNIVERSITY EXTENSION AND CONTINUING EDUCATION

APPROPRIATIONS AUTHORIZED

SEC. 101. For the purpose of assisting the people of the United States in the solution of community problems such as housing, poverty, government, recreation, employment, youth opportunities, transportation, health, and land use by enabling the Commissioner to make grants and contracts under this title to strengthen continuing education and extension methods and teaching, and the public service resources, of colleges and universities, there are authorized to be appropriated \$25,000,000 for the fiscal year ending June 30, 1966, and \$50,000,000 for the fiscal year ending June 30, 1967, and for each of the three succeeding fiscal years.

ALLOTMENTS TO STATES

SEC. 102. (a)(1) From 80 per centum of the sums appropriated pursuant to section 101 for each fiscal year, the Commissioner shall allot \$25,000 each to Guam, American Samoa, and the Virgin Islands and \$100,000 to each of the other States, and he shall allot to each State an amount

1 *which bears the same ratio to the remainder of such 80 per*
2 *centum of such sums as the population of the State bears to*
3 *the population of all States.*

4 *(2) Twenty per centum of the sums appropriated pur-*
5 *suant to section 101 shall be reserved by the Commissioner*
6 *for grants and contracts for experimental projects and for*
7 *supplemental grants pursuant to section 106.*

8 *(b) The amount of any State's allotment under subsec-*
9 *tion (a) for any fiscal year which the Commissioner deter-*
10 *mines will not be required for such fiscal year for carrying*
11 *out the State plan (if any) approved under this title shall*
12 *be available for reallocation from time to time, on such dates*
13 *during such year as the Commissioner may fix, to other States*
14 *in proportion to the original allotments to such States under*
15 *such subsection for such year, but with such proportionate*
16 *amount for any of such States being reduced to the extent it*
17 *exceeds the sum the Commissioner estimates such State needs*
18 *and will be able to use for such year for carrying out the*
19 *State plan; and the total of such reductions shall be similarly*
20 *reallotted among the States whose proportionate amounts*
21 *were not so reduced. Any amount reallotted to a State*
22 *under this subsection during a year from funds appropriated*
23 *pursuant to section 101 shall be deemed part of its allotment*
24 *under subsection (a) for such year.*

1 (c) In accordance with regulations of the Commis-
 2 sioner, any State may file with him a request that a specified
 3 portion of its allotment under this title be added to the allot-
 4 ment of another State under this title for the purpose of meet-
 5 ing a portion of the Federal share of the cost of providing
 6 extension or continuing education services or activities under
 7 this title. If it is found by the Commissioner that the services
 8 or activities with respect to which the request is made would
 9 meet needs of the State making the request and that use
 10 of the specified portion of such State's allotment, as requested
 11 by it, would assist in carrying out the purposes of this title,
 12 such portion of such State's allotment shall be added to the
 13 allotment of the other State under this title to be used for the
 14 purpose referred to above.

15 (d) The population of a State and of all the States shall
 16 be determined by the Commissioner on the basis of the most
 17 recent satisfactory data available from the Department of
 18 Commerce.

19 USES OF ALLOTTED FUNDS

20 SEC. 103. A State's allotment under section 102 may
 21 be used, in accordance with its State plan approved under
 22 section 104(b), to provide new, expanded, or improved
 23 extension and continuing education activities and services
 24 designed to assist, particularly through new and advanced

1 approaches, in the solution of rural and urban community
2 problems.

3 STATE PLANS

4 SEC. 104. (a) Any State desiring to receive its allot-
5 ment of Federal funds under this title shall designate or
6 create a State agency or institution which has special quali-
7 fications with respect to solving community problems and
8 which is broadly representative of institutions of higher edu-
9 cation in the State which are competent to offer extension or
10 continuing education activities and services, and shall submit
11 to the Commissioner through the agency or institution so
12 designated a State plan. If a State desires to designate for
13 the purposes of this section an existing State agency or insti-
14 tution which does not meet these requirements, it may do so
15 if the agency or institution takes such action as may be nec-
16 essary to acquire such qualifications and assure participation
17 of such institutions, or if it designates or creates a State ad-
18 visory council which meets the requirements not met by the
19 designated agency or institution to consult with the desig-
20 nated agency or institution in the preparation of the State
21 plan. A State plan submitted under this title shall be in
22 such detail as the Commissioner deems necessary and shall—

23 (1) provide that the agency or institution so desig-
24 nated or created shall be the sole agency for administra-

tion of the plan or for supervision of the administration of the plan; and provide that such agency or institution shall consult with any State advisory council required to be created by this section with respect to policy matters arising in the administration of such plan;

(2) set forth a comprehensive, coordinated, and statewide program of extension and continuing education activities and services under which funds paid to the State (including funds paid to an institution pursuant to section 105(c)) under its allotments under section 102 will be expended solely for activities and services which meet the requirements of section 103 and which have been approved by the agency or institution administering the plan;

(3) set forth the policies and procedures to be followed in allocating Federal funds to institutions of higher education in the State, which policies and procedures shall insure that due consideration will be given—

(A) to the relative capacity and willingness of particular institutions of higher education (whether public or private) to provide effective extension or continuing education activities and services designed to assist communities in solving community problems;

(B) to the availability of and need for exten-

1 *sion and continuing education activities and services*
2 *among the population within the State; and*

3 *(C) to the results of periodic evaluations of the*
4 *activities and services carried out under this title in*
5 *the light of information regarding current and antici-*
6 *pated community problems in the State;*

7 *(4) set forth policies and procedures designed to*
8 *assure that Federal funds made available under this title*
9 *will be so used as not to supplant State or local funds, or*
10 *funds of institutions of higher education, but supplement*
11 *them, and, to the extent practicable, increase the amounts*
12 *of such funds that would in the absence of such Federal*
13 *funds be made available for activities and services which*
14 *meet the requirements of section 103;*

15 *(5) set forth such fiscal control and fund accounting*
16 *procedures as may be necessary to assure proper dis-*
17 *bursement of and accounting for Federal funds paid to*
18 *the State (including such funds paid by the State or by*
19 *the Commissioner to institutions of higher education)*
20 *under this title; and*

21 *(6) provide for making such reports in such form*
22 *and containing such information as the Commissioner*
23 *may reasonably require to carry out his functions under*
24 *this title, and for keeping such records and for affording*
25 *such access thereto as the Commissioner may find neces-*

1 *sary to assure the correctness and verification of such*
2 *reports.*

3 (b) The Commissioner shall approve any State plan
4 and any modification thereof which complies with the
5 provisions of subsection (a).

6 *PAYMENTS*

7 *SEC. 105. (a) Except as provided in subsection (b),*
8 *payment under this title shall be made to those State agencies*
9 *and institutions which administer plans approved under*
10 *section 104(b). Payments under this title from a State's*
11 *allotment with respect to the cost of developing and carrying*
12 *out its State plan shall equal 75 per centum of such costs*
13 *for the fiscal year ending June 30, 1966, 75 per centum*
14 *of such costs for the fiscal year ending June 30, 1967, and*
15 *50 per centum of such costs for each of the three succeeding*
16 *fiscal years, except that no payments for any fiscal year*
17 *shall be made to any State with respect to expenditures for*
18 *developing and administering the State plan which exceed*
19 *5 per centum of the costs for that year for which payment*
20 *under this subsection may be made to that State, or \$25,000,*
21 *whichever is the greater.*

(b) No payments shall be made to any State from its allotments for any fiscal year unless and until the Commissioner finds that the institutions of higher education which will

1 participate in carrying out the State plan for that year will
2 together have available during that year for expenditure from
3 non-Federal sources for college and university extension and
4 continuing education programs not less than the total amount
5 actually expended by those institutions for university extension
6 and continuing education programs from such sources during
7 the fiscal year ending June 30, 1965, plus an amount equal
8 to not less than the non-Federal share of the costs with respect
9 to which payment pursuant to subsection (a) is sought. In
10 determining the cost for any fiscal year of carrying out a
11 university extension and continuing education program set
12 forth in a State plan approved under section 104(b), and
13 the amounts available for expenditure, or expended, therefor
14 from State or other non-Federal sources, there shall be ex-
15 cluded any amounts the Commissioner determines have been
16 or will be realized during that year by participating institu-
17 tions from fees or other charges to persons benefiting from
18 that program.

19 (c) Payments to a State under this title may be made
20 in installments and in advance or by way of reimbursement
21 with necessary adjustments on account of overpayments or
22 underpayments, and they may be paid directly to the State
23 or to one or more participating institutions of higher educa-
24 tion designated for this purpose by the State, or to both.

1 *EXPERIMENTAL APPROACHES AND SUPPLEMENTAL GRANTS*

2 *SEC. 106. Twenty per centum of the sums appropriated*
3 *pursuant to section 101 for each fiscal year shall be used*
4 *by the Commissioner to make grants to or contracts with in-*
5 *stitutions of higher education to pay part of the cost of ex-*
6 *perimental approaches to extension and continuing education*
7 *related to the solution of community problems as set forth*
8 *in section 103, or, as may be determined by the Commis-*
9 *sioner, for such augmentation of grants awarded under this*
10 *title from allotted funds as may be desirable to advance the*
11 *purposes of this title.*

12 *ADMINISTRATION OF STATE PLANS*

13 *SEC. 107. (a) The Commissioner shall not finally dis-*
14 *approve any State plan submitted under this title, or any*
15 *modification thereof, without first affording the State agency*
16 *or institution submitting the plan reasonable notice and oppor-*
17 *tunity for a hearing.*

18 *(b) Whenever the Commissioner, after reasonable notice*
19 *and opportunity for hearing to the State agency or institution*
20 *administering a State plan approved under section 104(b),*
21 *finds that—*

22 *(1) the State plan has been so changed that it no*
23 *longer complies with the provisions of section 104(a), or*

24 *(2) in the administration of the plan there is a fail-*
25 *ure to comply substantially with any such provision,*

1 *the Commissioner shall notify the State agency or institution*
2 *that the State will not be regarded as eligible to participate*
3 *in the program under this title until he is satisfied that there*
4 *is no longer any such failure to comply.*

5 *JUDICIAL REVIEW*

6 *SEC. 108. (a) If any State is dissatisfied with the Com-*
7 *missioner's final action with respect to the approval of its*
8 *State plan submitted under section 104(a) or with his final*
9 *action under section 107(b), such State may, within sixty*
10 *days after notice of such action, file with the United States*
11 *court of appeals for the circuit in which the State is located*
12 *a petition for review of that action. A copy of the petition*
13 *shall be forthwith transmitted by the clerk of the court to*
14 *the Commissioner. The Commissioner thereupon shall file*
15 *in the court the record of the proceedings on which he based*
16 *his action, as provided in section 2112 of title 28, United*
17 *States Code.*

18 *(b) The findings of fact by the Commissioner, if sup-*
19 *ported by substantial evidence, shall be conclusive; but the*
20 *court, for good cause shown, may remand the case to the*
21 *Commissioner to take further evidence, and the Commis-*
22 *sioner may thereupon make new or modified findings of fact*
23 *and may modify his previous action, and shall certify to*
24 *the court the record of the further proceedings. Such new*

1 or modified findings of fact shall likewise be conclusive if
2 supported by substantial evidence.

3 (c) The court shall have jurisdiction to affirm the action
4 of the Commissioner or to set it aside, in whole or in part.
5 The judgment of the court shall be subject to review by the
6 Supreme Court of the United States upon certiorari or certifi-
7 cation as provided in section 1254 of title 28, United States
8 Code.

9 NATIONAL ADVISORY COUNCIL ON EXTENSION AND
10 CONTINUING EDUCATION

11 SEC. 109. (a) The President shall, within ninety days
12 of enactment of this title, appoint a National Advisory Coun-
13 cil on Extension and Continuing Education (hereafter re-
14 ferred to as the "Advisory Council"), consisting of the Com-
15 missioner, who shall be Chairman, one representative each
16 of the Departments of Agriculture, Commerce, Defense,
17 Labor, Interior, and State, of the Housing and Home
18 Finance Agency, and the Office of Economic Opportunity,
19 and of such other Federal agencies having extension education
20 responsibilities as the President may designate, and twelve
21 members appointed, for staggered terms and without regard
22 to the civil service laws, by the President. Such twelve mem-
23 bers shall, to the extent possible, include persons knowledge-
24 able in the fields of extension and continuing education, State
25 and local officials, and other persons having special knowl-

1 edge, experience, or qualification with respect to community
2 problems, and persons representative of the general public.
3 The Advisory Council shall meet at the call of the Chairman
4 but not less often than twice a year.

5 (b) The Advisory Council shall advise the Commis-
6 sioner in the preparation of general regulations and with
7 respect to policy matters arising in the administration of
8 this title, including policies and procedures governing the
9 approval of State plans under section 104(b), the approval
10 of projects and activities under section 106, and policies to
11 eliminate duplication and to effectuate the coordination of
12 programs under this title and other programs offering ex-
13 tension or continuing education activities and services.

14 (c) The Advisory Council shall review the administra-
15 tion and effectiveness of all federally supported extension and
16 continuing education programs, make recommendations with
17 respect thereto, and make annual reports commencing on
18 March 31, 1967, of its findings and recommendations (in-
19 cluding recommendations for changes in the provisions of
20 Federal laws relating to extension and continuing education
21 activities) to the Secretary and to the President. The Presi-
22 dent shall transmit each such report to the Congress, together
23 with his comments and recommendations.

24 (d) Members of the Advisory Council who are not regu-
25 lar full-time employees of the United States shall, while serv-

1 *ing on the business of the Council, be entitled to receive*
2 *compensation at rates fixed by the Secretary, but not exceed-*
3 *ing \$100 per day, including travel time; and, while so serv-*
4 *ing away from their homes or regular places of business,*
5 *members may be allowed travel expenses, including per diem*
6 *in lieu of subsistence, as authorized by section 5 of the Ad-*
7 *ministrative Expenses Act of 1946 (5 U.S.C. 73b-2) for*
8 *persons in the Government service employed intermittently.*

9 *(e) The Secretary shall engage such technical assistance*
10 *as may be required to carry out the functions of the Advisory*
11 *Council, and the Secretary shall, in addition, make available*
12 *to the Advisory Council such secretarial, clerical, and other*
13 *assistance and such pertinent data prepared by the Depart-*
14 *ment of Health, Education, and Welfare as it may require*
15 *to carry out its functions.*

16 *(f) In carrying out its functions pursuant to this sec-*
17 *tion, the Advisory Council may utilize the services and facili-*
18 *ties of any agency of the Federal Government, in accordance*
19 *with agreements between the Secretary and the head of such*
20 *agency.*

21 *SEC. 110. Nothing in this title shall modify authorities*
22 *under the Act of the February 23, 1917 (Smith-Hughes*
23 *Vocational Education Act), as amended (20 U.S.C. 11-15,*
24 *16-28); the Vocational Education Act of 1946, as amended*
25 *(20 U.S.C. 15i-15m, 15o-15q, 15aa-15jj, and 15aaa-*

1 15ggg); the Vocational Education Act of 1963 (20 U.S.C.
 2 35-35n); title VIII of the Housing Act of 1964 (Public
 3 Law 88-560); of the Act of May 8, 1914 (Smith-Lever
 4 Act), as amended (7 U.S.C. 341-348).

5 LIMITATION

6 SEC. 111. No grant may be made under this title for
 7 any education activities or services related to sectarian in-
 8 struction or religious worship, or provided by a school or
 9 department of divinity. For purposes of this section, the
 10 term "school or department of divinity" means an institu-
 11 tion or a department or branch of an institution whose pro-
 12 gram is specifically for the education of students to prepare
 13 them to become ministers of religion or to enter upon some
 14 other religious vocation, or to prepare them to teach theological
 15 subjects.

16 TITLE II—COLLEGE LIBRARY ASSISTANCE 17 AND LIBRARY TRAINING AND RESEARCH

18 PART A—COLLEGE LIBRARY RESOURCES

19 APPROPRIATIONS AUTHORIZED

20 SEC. 201. There are authorized to be appropriated
 21 \$50,000,000 for the fiscal year ending June 30, 1966, and
 22 for each of the four succeeding fiscal years, to enable the
 23 Commissioner to make grants under this part to institutions
 24 of higher education to assist and encourage such institutions
 25 in the acquisition for library purposes of books, periodicals,

1 documents, magnetic tapes, phonograph records, audiovisual
 2 materials, and other related library materials (including
 3 necessary binding).

4

BASIC GRANTS

5 SEC. 202. From 75 per centum of the sums appropriated
 6 pursuant to section 201 for any fiscal year, the Commissioner
 7 is authorized to make basic grants for the purposes set forth
 8 in that section to institutions of higher education and com-
 9 binations of such institutions. The amount of a basic grant
 10 shall not exceed \$5,000 for each such institution of higher
 11 education and each branch of such institution which is located
 12 in a community different from that in which its parent
 13 institution is located, and a basic grant under this subsection
 14 may be made only if the application therefor is approved
 15 by the Commissioner upon his determination that the ap-
 16 plication (whether by an individual institution or a com-
 17 bination of institutions)—

18 (a) provides satisfactory assurance that the appli-
 19 cant will expend during the fiscal year for which the
 20 grant is requested (from funds other than funds received
 21 under this part) for all library purposes (exclusive of
 22 construction) (1) an amount not less than the average
 23 annual amount it expended for such purposes during the
 24 two-year period ending June 30, 1965 and (2) an

1 *amount (from such other sources) equal to not less than*
2 *the amount of such grant;*

3 *(b) provides satisfactory assurance that the ap-*
4 *plicant will expend during the fiscal year for which the*
5 *grant is requested (from funds other than funds received*
6 *under this part) for books, periodicals, documents, mag-*
7 *netic tapes, phonograph records, audiovisual materials,*
8 *and other related materials (including necessary bind-*
9 *ing) for library purposes an amount not less than the*
10 *average annual amount it expended for such materials*
11 *during the two-year period ending June 30, 1965;*

12 *(c) provides for joint use of library facilities with*
13 *other institutions where feasible;*

14 *(d) provides for such fiscal control and fund ac-*
15 *counting procedures as may be necessary to assure proper*
16 *disbursement of and accounting for Federal funds paid*
17 *to the applicant under this section; and*

18 *(e) provides for making such reports, in such form*
19 *and containing such information, as the Commissioner*
20 *may require to carry out his functions under this section,*
21 *and for keeping such records and for affording such*
22 *access thereto as the Commissioner may find necessary*
23 *to assure the correctness and verification of such reports.*

SUPPLEMENTAL GRANTS

1
2 *SEC. 203. (a) From the remainder of such 75 per*
3 *centum of the sums appropriated pursuant to section 201 for*
4 *any fiscal year, plus any part of such sums as the Commis-*
5 *sioner determines will not be needed for making grants under*
6 *section 204, the Commissioner is authorized to make sup-*
7 *plemental grants for the purposes set forth in section 201*
8 *to institutions of higher education and combinations of such*
9 *institutions. The amount of a supplemental grant shall not*
10 *exceed \$10 for each full-time student (including the full-time*
11 *equivalent of the number of part-time students) enrolled in*
12 *each such institution, as determined pursuant to regulations*
13 *of the Commissioner. A supplemental grant may be made*
14 *only upon application therefor, in such form and containing*
15 *such information as the Commissioner may require, which*
16 *application shall—*

17 *(1) meet the application requirements set forth in*
18 *section 202 except for the matching requirement set*
19 *forth in paragraph (a)(2) of that section;*

20 *(2) describe the size and quality of the library re-*
21 *sources of the applicant in relation to its present enroll-*
22 *ment and any expected increase in its enrollment;*

23 *(3) set forth any special circumstances which are*
24 *impeding or will impede the proper development of its*
25 *library resources; and*

(4) provide a general description of how a supplemental grant would be used to improve the size or quality of its library resources.

(b) The Commissioner shall approve applications for supplemental grants on the basis of basic criteria prescribed in regulations and developed after consultation with the Council created under section 205. Such basic criteria shall be such as will best tend to achieve the objectives of this part and they (1) may take into consideration factors such as the size and age of the library collection and student enrollment, and (2) shall give priority to institutions in need of financial assistance for library purposes.

SPECIAL PURPOSE GRANTS

SEC. 204. (a) Twenty-five per centum of the sums appropriated pursuant to section 201 for each fiscal year shall be used by the Commissioner to make special grants (1) to institutions of higher education which demonstrate a special need for additional library resources and which demonstrate that such additional library resources will make a substantial contribution to the quality of their educational resources, (2) to institutions of higher education to meet special national or regional needs in the library and information sciences, including those in the physical and social science fields, and (3) to combinations of institutions of higher edu-

1 cation which need special assistance in establishing and
 2 strengthening joint-use facilities. Grants under this section
 3 may be used only for books, periodicals, documents, magnetic
 4 tapes, phonograph records, audiovisual materials, and other
 5 related library materials (including necessary binding).

6 (b) Grants pursuant to this section shall be made upon
 7 application providing satisfactory assurance that (1) the
 8 applicant (or applicants jointly in the case of a combination
 9 of institutions) will expend during the fiscal year for which
 10 the grant is requested (from funds other than funds received
 11 under this part) for the same purposes as such grant an
 12 amount from such other sources equal to $33\frac{1}{3}$ per centum
 13 of such grant, and (2) each such applicant will expend
 14 (from such other sources) for all library purposes (exclusive
 15 of construction) an amount not less than the average annual
 16 amount it expended for such purposes during the two-year
 17 period ending June 30, 1965.

18 ADVISORY COUNCIL ON COLLEGE LIBRARY RESOURCES

19 SEC. 205. (a) The Commissioner shall establish in the
 20 Office of Education an Advisory Council on College Library
 21 Resources consisting of the Commissioner, who shall be
 22 Chairman, and eight members appointed, without regard to
 23 the civil service laws, by the Commissioner with the ap-
 24 proval of the Secretary.

25 (b) The Advisory Council shall advise the Commis-

1 sioner with respect to establishing criteria for the making
2 of supplemental grants under section 203 and the making
3 of special purpose grants under section 204. The Commis-
4 sioner may appoint such special advisory and technical ex-
5 perts and consultants as may be useful in carrying out the
6 functions of the Advisory Council.

7 (c) Members of the Advisory Council, while serving
8 on business of the Advisory Council, shall receive compen-
9 sation at a rate to be fixed by the Secretary, but not exceed-
10 ing \$100 per day, including travel time; and, while so
11 serving away from their homes or regular places of business,
12 they may be allowed travel expenses, including per diem
13 in lieu of subsistence, as authorized by section 5 of the Ad-
14 ministrative Expenses Act of 1946 (5 U.S.C. 73b-2) for
15 persons in the Government service employed intermittently.

16 ACCREDITATION REQUIREMENT FOR PURPOSES

17 OF THIS PART

18 SEC. 206. For the purposes of this part, an educational
19 institution shall be deemed to have been accredited by a
20 nationally recognized accrediting agency or association if
21 the Commissioner determines that there is satisfactory assur-
22 ance that upon acquisition of the library resources with
23 respect to which assistance under this part is sought, or upon
24 acquisition of those resources and other library resources
25 planned to be acquired within a reasonable time, the insti-

1 *tution will meet the accreditation standards of such agency*
 2 *or association.*

3 *LIMITATION*

4 *SEC. 207. No grant may be made under this part for*
 5 *books, periodicals, documents, or other related materials to*
 6 *be used for sectarian instruction or religious worship, or*
 7 *primarily in connection with any part of the program of a*
 8 *school or department of divinity. For purposes of this sec-*
 9 *tion, the term "school or department of divinity" means an*
 10 *institution or a department or branch of an institution whose*
 11 *program is specifically for the education of students to pre-*
 12 *pare them to become ministers of religion or to enter upon*
 13 *some other religious vocation, or to prepare them to teach*
 14 *theological subjects.*

15 *PART B—LIBRARY TRAINING AND RESEARCH*

16 *APPROPRIATIONS AUTHORIZED*

17 *SEC. 221. There are authorized to be appropriated*
 18 *\$7,500,000 for the fiscal year ending June 30, 1966, and*
 19 *\$15,000,000 for the fiscal year ending June 30, 1967, and*
 20 *for each of the three succeeding fiscal years, for the purpose*
 21 *of carrying out this part.*

22 *DEFINITION OF "LIBRARIANSHIP"*

23 *SEC. 222. For the purposes of this part the term*
 24 *"librarianship" means the principles and practices of the*
 25 *library and information sciences, including the acquisition,*

1 organization, storage, retrieval, and dissemination of infor-
 2 mation, and reference and research use of library and other
 3 information resources.

4 GRANTS FOR TRAINING IN LIBRARIANSHIP

5 SEC. 223. (a) The Commissioner is authorized to make
 6 grants to institutions of higher education to assist them in
 7 training persons in librarianship, including the training of
 8 specialists in the communication of information in the physi-
 9 cal and social sciences. Such grants may be used by such
 10 institutions to assist in covering the cost of courses of train-
 11 ing or study for such persons, and for establishing and main-
 12 taining fellowships or traineeships with stipends (including
 13 allowances for traveling, subsistence, and other expenses) for
 14 fellows and others undergoing training and their dependents
 15 not in excess of such maximum amounts as may be prescribed
 16 by the Commissioner.

17 (b) The Commissioner may make a grant to an insti-
 18 tution of higher education only upon application by the
 19 institution and only upon his finding that such program will
 20 substantially further the objective of increasing the opportu-
 21 nities throughout the Nation for training in librarianship.

22 RESEARCH AND DEMONSTRATIONS RELATING TO LIBRARIES

23 AND THE TRAINING OF LIBRARY PERSONNEL

24 SEC. 224. (a) The Commissioner is authorized to make
 25 grants to institutions of higher education and other public

1 or private agencies, institutions, and organizations and to
2 individuals, for research and demonstration projects relating
3 to the improvement of libraries or the improvement of train-
4 ing in librarianship, including the development of new tech-
5 niques, systems, and equipment for processing, storing, and
6 distributing information, and for the dissemination of infor-
7 mation derived from such research and demonstrations, and,
8 without regard to section 3709 of the Revised Statutes
9 (41 U.S.C. 5), to provide by contracts with them for the
10 conduct of such activities; except that no such grant may be
11 made to a private agency, organization, or institution other
12 than a nonprofit one.

13 (b) The Commissioner is authorized to appoint such
14 special or technical advisory committees as he may deem
15 necessary to advise him on matters of general policy con-
16 cerning research and demonstration projects relating to the
17 improvement of libraries and the improvement of training
18 in librarianship, or concerning special services necessary
19 thereto or special problems involved therein.

20 (c) The Commissioner shall also from time to time
21 appoint panels of experts competent to evaluate various
22 types of research and demonstration projects under this
23 section, and shall obtain the advice and recommendations
24 of such a panel before making each grant under this section.

25 (d) Members of any committee or panel appointed

1 under this section who are not regular full-time employees
 2 of the United States shall, while serving on the business
 3 of such a committee or panel, be entitled to receive com-
 4 pensation at rates fixed by the Commissioner, but not in
 5 excess of \$100 per diem, including travel time; and they
 6 may, while so serving away from their homes or regular
 7 places of business, be allowed travel expenses, including per
 8 diem in lieu of subsistence, as authorized by section 5 of the
 9 Administrative Expenses Act of 1946 (5 U.S.C. 73b-2)
 10 for persons in the Government service employed inter-
 11 mittently.

12 PART C—CATALOGING OF LIBRARY MATERIALS

13 AUTHORIZATION

14 SEC. 241. There are hereby authorized to be appropri-
 15 ated \$5,000,000 for the fiscal year ending June 30, 1966,
 16 \$6,315,000 for the fiscal year ending June 30, 1967, and
 17 \$7,770,000 for the fiscal year ending June 30, 1968, and
 18 for each of the two succeeding fiscal years, to enable the
 19 Commissioner to transfer funds to the Librarian of Con-
 20 gress for the purpose of—

21 (1) insuring, so far as possible, the acquisition by
 22 the Library of Congress of all library materials cur-
 23 rently published throughout the world of value to schol-
 24 arship; and

25 (2) providing catalog information for these mate-

1 *rials promptly after receipt, and distributing biblio-*
2 *graphic information by printing catalog cards and by*
3 *other means, and authorizing the Library of Congress*
4 *to use for exchange and other purposes such of these mate-*
5 *rials not needed for its own collections.*

6 *TITLE III—STRENGTHENING DEVELOPING*
7 *INSTITUTIONS*

8 STATEMENT OF PURPOSE AND APPROPRIATIONS

9 AUTHORIZED

10 *SEC. 301. (a) The purpose of this title is to assist in*
11 *raising the academic quality of colleges which have the desire*
12 *and potential to make a substantial contribution to the higher*
13 *education resources of our Nation but which for financial and*
14 *other reasons are struggling for survival and are isolated*
15 *from the main currents of academic life, and to do so by en-*
16 *abling the Commissioner to establish a national teaching*
17 *fellow program and to encourage and assist in the establish-*
18 *ment of cooperative arrangements under which these col-*
19 *leges may draw on the talent and experience of our finest col-*
20 *leges and universities, and on the educational resources of*
21 *business and industry, in their effort to improve their aca-*
22 *demic quality.*

23 (b) There are authorized to be appropriated—

24 (1) \$25,000,000 for the fiscal year ending June
25 30, 1966, and for each of the four succeeding fiscal

years, for carrying out the provisions of this title with respect to developing institutions which plan to award one or more bachelors degrees during such year;

(2) \$25,000,000 for the fiscal year ending June 30, 1966, and for each of the four succeeding fiscal years, for carrying out the provisions of this title with respect to developing institutions which do not plan to award such a degree during such year; and

(3) \$5,000,000 for the fiscal year ending June 30, 1966, and \$10,000,000 for the fiscal year ending June 30, 1967, and for each of the three succeeding fiscal years, to be used for the same purpose as amounts appropriated pursuant to clause (1) or (2), or both, as determined by the Commissioner.

DEFINITION OF "DEVELOPING INSTITUTION"

SEC. 302. As used in this title the term "developing institution" means a public or nonprofit educational institution which—

(a) admits as regular students only persons having a certificate of graduation from a high school, or the recognized equivalent of such certificate;

(b) is legally authorized to provide, and provides within the State, an educational program for which it awards a bachelor's degree, or provides not less than a two-year program which is acceptable for full credit to—

ward such a degree, or offers a two-year program in engineering, mathematics, or the physical or biological sciences which is designed to prepare the student to work as a technician and at a semiprofessional level in engineering, scientific, or other technological fields which require the understanding and application of basic engineering, scientific, or mathematical principles of knowledge;

(c) is accredited by a nationally recognized accrediting agency or association determined by the Commissioner to be reliable authority as to the quality of training offered or is, according to such an agency or association, making reasonable progress toward accreditation;

(d) has met the requirements of clauses (a), (b), and (c) during the two academic years preceding the academic year for which it seeks assistance under this title;

(e) is making a reasonable effort to improve the quality of its teaching and administrative staffs and of its student services;

(f) is seriously handicapped in its efforts to improve such staffs and services by lack of financial resources and a shortage of qualified professional personnel;

(g) meets such other requirements as the Commissioner may prescribe by regulation; and

(h) is not an institution, or department or branch of an institution, whose program is specifically for the education of students to prepare them to become ministers of religion or to enter upon some other religious vocation or to prepare them to teach theological subjects.

ADVISORY COUNCIL ON DEVELOPING INSTITUTIONS

SEC. 303. (a) The Commissioner shall establish in the Office of Education an Advisory Council on Developing Institutions (hereinafter in this title referred to as the "Council"), consisting of the Commissioner who shall be Chairman, one representative each of such Federal agencies having responsibilities with respect to developing institutions as the Commissioner may designate, and eight members appointed, without regard to the civil service laws, by the Commissioner with the approval of the Secretary.

(b) The Council shall advise the Commissioner with respect to policy matters arising in the administration of this title and in particular shall assist the Commissioner in identifying those developing institutions through which the purposes of this title can best be achieved and in establishing priorities for use in approving applications under this title. The Commissioner may appoint such special advisory and technical experts and consultants as may be useful in carrying out the functions of the Council.

(c) Members of the Council who are not otherwise full-

1 *time employees of the United States shall, while serving on*
2 *business of the Council, receive compensation at a rate*
3 *to be fixed by the Secretary, but not exceeding \$100 per day,*
4 *including travel time; and, while so serving away from their*
5 *homes or regular places of business, members may be allowed*
6 *travel expenses, including per diem in lieu of subsistence,*
7 *as authorized by section 5 of the Administrative Expenses*
8 *Act of 1946 (5 U.S.C. 73b-2) for persons in the Govern-*
9 *ment service employed intermittently.*

10 *GRANTS FOR COOPERATIVE AGREEMENTS TO STRENGTHEN*

11 *DEVELOPING INSTITUTIONS*

12 *SEC. 304. (a) The Commissioner is authorized to*
13 *make grants to developing institutions and other colleges and*
14 *universities to pay part of the cost of planning, developing,*
15 *and carrying out cooperative arrangements which show*
16 *promise as effective measures for strengthening the academic*
17 *programs and the administration of developing institutions.*
18 *Such cooperative arrangements may be between developing*
19 *institutions, between developing institutions and other col-*
20 *leges and universities, and between developing institutions*
21 *and organizations, agencies, and business entites. Grants*
22 *under this section may be used for projects and activities*
23 *such as—*

24 *(1) exchange of faculty or students, including ar-*

1 rangements for bringing visiting scholars to developing
2 institutions;

3 (2) faculty and administration improvement pro-
4 grams utilizing training, education (including fellow-
5 ships leading to advanced degrees), internships, research
6 participation, and other means;

7 (3) introduction of new curriculums and curricular
8 materials;

9 (4) development and operation of cooperative edu-
10 cation programs involving alternate periods of academic
11 study and business or public employment;

12 (5) joint use of facilities such as libraries or labora-
13 tories, including necessary books, materials, and equip-
14 ment; and

15 (6) other arrangements which offer promise of
16 strengthening the academic programs and the adminis-
17 tration of developing institutions.

18 (b) A grant may be made under this section only
19 upon application to the Commissioner at such time or times
20 and containing such information as he deems necessary.
21 The Commissioner shall not approve an application unless
22 it—

23 (1) sets forth a program for carrying out one or
24 more projects or activities which meet the requirements

1 of subsection (a) and provides for such methods of ad-
2 ministration as are necessary for the proper and efficient
3 operation of the program;

4 (2) sets forth policies and procedures which assure
5 that Federal funds made available under this section for
6 any fiscal year will be so used as to supplement and,
7 to the extent practical, increase the level of funds that
8 would, in the absence of such Federal funds, be made
9 available for purposes which meet the requirements of
10 subsection (a), and in no case supplant such funds;

11 (3) provides for such fiscal control and fund ac-
12 counting procedures as may be necessary to assure proper
13 disbursement of and accounting for Federal funds paid
14 to the applicant under this section; and

15 (4) provides for making such reports, in such form
16 and containing such information, as the Commissioner
17 may require to carry out his functions under this title,
18 and for keeping such records and for affording such
19 access thereto as the Commissioner may find necessary
20 to assure the correctness and verification of such reports.

21 (c) The Commissioner shall, after consultation with
22 the Council, establish criteria as to eligible expenditures for
23 which grants made under this section may be used, which
24 criteria shall be so designed as to prevent the use of such

1 grants for expenditures not necessary to the achievement of
2 the purposes of this title.

3 NATIONAL TEACHING FELLOWSHIPS

4 SEC. 305. (a) The Commissioner is authorized to award
5 fellowships under this section to highly qualified graduate
6 students and junior members of the faculty of colleges and
7 universities, to encourage such individuals to teach at de-
8 veloping institutions. The Commissioner shall award fellow-
9 ships to individuals for teaching at developing institutions
10 only upon application by an institution approved for this
11 purpose by the Commissioner and only upon a finding by
12 the Commissioner that the program of teaching set forth
13 in the application is reasonable in the light of the qualifica-
14 tions of the teaching fellow and of the educational needs of
15 the applicant.

16 (b) Fellowships may be awarded under this section
17 for such period of teaching as the Commissioner may deter-
18 mine, but such period shall not exceed two academic years
19 or extend beyond June 30, 1970. Each person awarded a
20 fellowship under the provisions of this section shall receive
21 a stipend for each academic year of teaching of not more
22 than \$6,500 as determined by the Commissioner upon the
23 advice of the Council, plus an additional amount of \$400 for
24 each such year on account of each of his dependents.

1 *TITLE IV—STUDENT ASSISTANCE*2 *PART A—UNDERGRADUATE SCHOLARSHIPS*3 *STATEMENT OF PURPOSE AND APPROPRIATIONS*4 *AUTHORIZED*

5 *SEC. 401. (a) It is the purpose of this part to provide,*
6 *through institutions of higher education and State programs,*
7 *scholarships to assist in making available the benefits of*
8 *higher education to qualified high school graduates from*
9 *low-income families, who for lack of financial means of their*
10 *own or of their families would be unable to obtain such bene-*
11 *fits without such aid. It is further the purpose of the Con-*
12 *gress to encourage such institutions to use work-study and*
13 *loan programs and any other means of student aid available*
14 *to them to combine with or supplement scholarship aid under*
15 *this part, as may be appropriate in any case.*

16 *(b) There are hereby authorized to be appropriated*
17 *\$70,000,000 for the fiscal year ending June 30, 1966, and*
18 *for each of the four succeeding fiscal years, to enable the*
19 *Commissioner to make payments to (1) institutions of higher*
20 *education that have agreements with him entered into under*
21 *section 407, for use by such institutions (A) for payments*
22 *to undergraduate students for the initial academic year of*
23 *scholarships awarded to them under this part and (B) for*
24 *defraying (within the limits specified in section 407(b))*
25 *eligible costs of administration, by such institutions, of the*

1 cooperative motivational program for high school students
 2 described in section 407(a) (5), and (2) States to be used
 3 in their scholarship programs pursuant to section 406(b).
 4 There are further authorized to be appropriated, for the fiscal
 5 year ending June 30, 1967, and each of the six succeeding
 6 fiscal years, such sums as may be necessary for payment
 7 to such institutions for use by them for making scholarship
 8 payments under this part to undergraduate students for
 9 academic years other than the initial year of their scholar-
 10 ship. Sums appropriated pursuant to this subsection for
 11 any fiscal year shall be available for payment to institutions
 12 until the close of the fiscal year succeeding the fiscal year
 13 for which they were appropriated. For the purposes of this
 14 subsection, payment for the first year of a scholarship shall
 15 not be considered as an initial-year payment if the scholar-
 16 ship was awarded for the continuing education of a student
 17 who had been previously awarded a scholarship under this
 18 part (whether by another institution or otherwise) and had
 19 received payment for any year of that scholarship.

20 AMOUNT OF SCHOLARSHIP—ANNUAL DETERMINATION

21 SEC. 402. From the funds received by it for such pur-
 22 pose under this part, an institution of higher education which
 23 awards a scholarship to a student under this part shall, for
 24 the duration of the scholarship, pay to that student for each

1 academic year during which he is in need of scholarship
 2 aid to pursue a course of study at the institution, an amount
 3 determined by the institution for such student with respect to
 4 that year, which amount shall not exceed \$800, or \$1,000 in
 5 the case of a student who during the preceding academic year
 6 of college work received grades in the upper half of his class,
 7 or, if less, the amount deemed by the institution to be required
 8 by such student to pursue the educational program involved
 9 at the institution; except that if the amount of the payment so
 10 determined for that year is less than \$200 no payment shall
 11 be made under this part to that student for that year. The
 12 Commissioner shall, subject to the foregoing limitations,
 13 prescribe for the guidance of participating institutions basic
 14 criteria or schedules (or both) for the determination of the
 15 amount of any such scholarship, taking into account the
 16 objective of limiting scholarship aid under this part to
 17 students from low-income families and such other factors,
 18 including the number of dependents in the family, as the
 19 Commissioner may deem relevant.

20 DURATION OF SCHOLARSHIP

21 SEC. 403. The duration of a scholarship awarded under
 22 this part shall be the period required for completion by the
 23 recipient of his undergraduate course of study at the institu-
 24 tion of higher education from which he received the scholar-
 25 ship award, except that such period shall not exceed four

1 academic years less any such period with respect to which
2 the recipient has previously received payments under this
3 part pursuant to a prior scholarship award (whether made
4 by the same or another institution). A scholarship awarded
5 under this part shall entitle the recipient to payments only if
6 he (1) is maintaining satisfactory progress in the course of
7 study which he is pursuing, according to the regularly pre-
8 scribed standards and practices of the institution from which
9 he received the award, and (2) is devoting essentially full
10 time to that course of study, during the academic year, in
11 attendance at that institution. Failure to be in attendance
12 at the institution during vacation periods or periods of mili-
13 tary service, or during other periods during which the Com-
14 missioner determines in accordance with regulations that
15 there is good cause for his nonattendance (during which
16 periods he shall receive no payments), shall not be deemed
17 contrary to clause (2).

18 SELECTION OF RECIPIENTS OF SCHOLARSHIPS

19 SEC. 404. (a) An individual shall be eligible for a
20 scholarship award under this part at any institution of higher
21 education which has made an agreement with the Commis-
22 sioner pursuant to section 407 (which institution is herein-
23 after in this part referred to as an “eligible institution”), if
24 the individual (1) is from a low-income family (as deter-
25 mined in accordance with the criteria or schedules prescribed

1 pursuant to section 402), and (2) makes application at the
2 time and in the manner prescribed by that institution.

3 (b) From among those eligible for scholarship awards
4 from an institution of higher education for each fiscal year,
5 the institution shall, in accordance with the provisions of its
6 agreement with the Commissioner under section 407 and
7 within the amount allocated to the institution for that pur-
8 pose for that year under section 406, select individuals who
9 are to be awarded such scholarships and determine, pursuant
10 to section 402, the amounts to be paid to them. An institu-
11 tion shall not award a scholarship to an individual unless it
12 determines that—

13 (1) he is in need of the scholarship to pursue a
14 course of study at such institution;

15 (2) he is capable, in the opinion of the institution,
16 of maintaining good standing in such course of study;
17 and

18 (3) he has been accepted for enrollment as a full-
19 time student at such institution or, in the case of a stu-
20 dent already attending such institution, is in good
21 standing and in full-time attendance there as an under-
22 graduate student.

23 APPORTIONMENT OF SCHOLARSHIP FUNDS AMONG STATES

24 SEC. 405. (a) (1) From the sums appropriated pursu-
25 ant to the first sentence of section 401(b) for any fiscal

1 year, the Commissioner shall apportion an amount equal
2 to not more than 2 per centum of such sums among Puerto
3 Rico, Guam, American Samoa, and the Virgin Islands ac-
4 cording to their respective needs for assistance under this
5 part. The remainder of the sums so appropriated shall be
6 apportioned among the States as provided in paragraph (2).

7 (2) Of the sums being apportioned under this subsec-
8 tion—

9 (A) one-third shall be apportioned by the Com-
10 missioner among the States so that the apportionment to
11 each State under this clause will be an amount which
12 bears the same ratio to such one-third as the number of
13 persons enrolled on a full-time basis in institutions of
14 higher education in such State bears to the total number
15 of persons enrolled on a full-time basis in institutions of
16 higher education in all the States,

17 (B) one-third shall be apportioned by the Commis-
18 sioner among the States so that the apportionment to
19 each State under this clause will be an amount which
20 bears the same ratio to such one-third as the number of
21 secondary school graduates of such State bears to the
22 total number of such secondary school graduates of all
23 the States, and

24 (C) one-third shall be allotted by him among the
25 States so that the appointment to each State under this

1 *clause will be an amount which bears the same ratio to*
2 *such one-third as the number of related children under*
3 *eighteen years of age living in families with annual in-*
4 *comes of less than \$3,000 in such State bears to the num-*
5 *ber of related children under eighteen years of age living*
6 *in families with annual incomes of less than \$3,000 in*
7 *all the States.*

8 *(3) For purposes of paragraphs (1) and (2) of this*
9 *subsection—*

10 *(A) the term “State” does not include Puerto Rico,*
11 *Guam, American Samoa, and the Virgin Islands,*

12 *(B) the term “secondary school graduate” means a*
13 *person who has received formal recognition (by diploma,*
14 *certificate, or similar means) from an approved school*
15 *for successful completion of four years of education be-*
16 *yond the first eight years of schoolwork, and*

17 *(C) the number of persons enrolled on a full-time*
18 *basis in institutions of higher education and the number*
19 *of secondary school graduates shall each be determined*
20 *by the Commissioner on the basis of the most recent*
21 *satisfactory data available from the Department of*
22 *Health, Education, and Welfare, and the number of*
23 *related children under eighteen years of age living in*
24 *families with annual incomes of less than \$3,000 shall*
25 *be determined by the Commissioner on the basis of the*

1 *most recent satisfactory data available from the Depart-*
 2 *ment of Commerce.*

3 *(4) If the total of the sums determined by the Com-*
 4 *missioner to be required under section 406 for any fiscal*
 5 *year for eligible institutions in a State is less than the amount*
 6 *of the apportionment to that State under paragraph (1) or*
 7 *(2) for that year, the Commissioner may reapportion the*
 8 *remaining amount from time to time, on such date or dates*
 9 *as he may fix, to other States in such manner as he deter-*
 10 *mines will best assist in achieving the purposes of this part.*

11 *(b) Sums appropriated pursuant to the second sentence*
 12 *of section 401(b) for any fiscal year shall be apportioned or*
 13 *reapportioned among the States in such manner as the Com-*
 14 *missioner determines to be necessary to carry out the pur-*
 15 *poses for which such sums are appropriated.*

16 *ALLOCATION OF APPORTIONED FUNDS TO INSTITUTIONS*
 17 *AND FOR STATE SCHOLARSHIP PLANS*

18 *SEC. 406. (a)(1) The Commissioner shall from time*
 19 *to time set dates by which eligible institutions in any State*
 20 *must file applications for allocation, to such institutions, of*
 21 *student scholarship funds from the apportionment to that*
 22 *State (and of any reapportionment thereto) for any fiscal*
 23 *year pursuant to section 405(a), to be used for the purposes*
 24 *specified in the first sentence of section 401(b). Such allo-*
 25 *cations shall be made in accordance with equitable criteria*

1 *which the Commissioner shall establish and which shall be*
2 *designed to achieve such distribution of such funds among*
3 *eligible institutions within a State as will most effectively*
4 *carry out the purposes of this part.*

5 (2) *The Commissioner shall further, in accordance with*
6 *regulations, allot to eligible institutions, in any State, from*
7 *funds apportioned or reapportioned pursuant to section 405*
8 *(b), funds to be used for the scholarship payments specified*
9 *in the second sentence of section 401(b).*

10 (3) *Payment shall be made from allotments under this*
11 *section to institutions as needed.*

12 (b) *Upon request from the Governor of any State,*
13 *not to exceed 15 per centum of such State's apportionment*
14 *(not including any reapportionments) for any fiscal year*
15 *shall be paid to such State for use during such year in*
16 *granting scholarships to students in higher education if—*

17 (1) *such State provides an equal amount to be*
18 *used for the same purpose;*

19 (2) *such amount provided by such State represents*
20 *an increase in expenditures for such purpose by such*
21 *State over the amount expended by such State for the*
22 *previous fiscal year; and*

23 (3) *such scholarships are granted on the same basis*
24 *of need, and are substantially the same in other respects,*

1 *as scholarships granted by institutions of higher educa-*
 2 *tion pursuant to this part.*

3 *Requests for the purpose of this subsection shall be filed prior*
 4 *to such times as are established by the Commissioner, and*
 5 *shall be accompanied by such information with respect to*
 6 *the State's scholarship program under which the Federal*
 7 *payment is to be used as may be required by the Commis-*
 8 *sioner for the purposes of the part.*

9 *AGREEMENTS WITH INSTITUTIONS—CONDITIONS*

10 *SEC. 407. (a) An institution of higher education which*
 11 *desires to obtain funds for scholarships under this part, shall*
 12 *enter into an agreement with the Commissioner. Such agree-*
 13 *ment shall—*

14 *(1) provide that funds received by the institution*
 15 *under this part will be used by it only for the purposes*
 16 *specified in, and in accordance with, the provisions of*
 17 *this part;*

18 *(2) provide that in determining whether an indi-*
 19 *vidual is an eligible student from a low-income family*
 20 *the institution will (A) consider the source of such in-*
 21 *dividual's income and that of any individual or indi-*
 22 *viduals upon whom the student relies primarily for sup-*
 23 *port, and (B) make an appropriate review of the assets*
 24 *of the student and of such individuals;*

1 (3) provide that in the selection of students to
2 receive scholarships under this part preference shall be
3 given to (A) students who are beginning their first year
4 of undergraduate study and (B) students who are trans-
5 ferring from an institution of higher education which
6 customarily offers only a two-year program of study to
7 an institution which offers four or more years of higher
8 education;

9 (4) provide that the institution will, where appro-
10 priate, combine financial assistance in the form of loans
11 under title II of the National Defense Education Act of
12 1958 or under a State or private plan, work-study op-
13 portunities under part C of title I of the Economic
14 Opportunity Act of 1964 (as amended by part C of this
15 title) or as may be offered otherwise, and scholarships
16 under this part, in an effort to meet the financial needs
17 of students from low-income families;

18 (5) provide that the institution, in cooperation with
19 other institutions of higher education where appropriate,
20 will make vigorous efforts to identify qualified youths
21 from low-income families and to encourage them to
22 continue their education beyond secondary school
23 through programs and activities such as—

24 (A) establishing or strengthening close work-
25 ing relationships with secondary-school principals

1 *and guidance and counseling personnel with a view*
2 *toward motivating students to complete secondary*
3 *school and pursue post-secondary-school educational*
4 *opportunities, and*

5 *(B) making, to the extent feasible, tentative*
6 *commitments for scholarships to qualified students*
7 *enrolled in grade 11 and lower grades or to*
8 *secondary-school dropouts who have a demonstrated*
9 *aptitude for college study;*

10 *(6) provide assurance that the institution will con-*
11 *tinue to spend in its own scholarship and student-aid*
12 *program, from sources other than funds received under*
13 *this part, not less than the average expenditure per*
14 *year made for that purpose during the most recent*
15 *period of three fiscal years preceding the effective date*
16 *of the agreement;*

17 *(7) include provisions designed to make scholar-*
18 *ships under this part reasonably available (to the extent*
19 *of available funds) to all eligible students in the insti-*
20 *tution in need thereof; and*

21 *(8) include such other provisions as may be neces-*
22 *sary to protect the financial interest of the United States*
23 *and promote the purposes of this part.*

24 *(b) An institution may spend up to 5 per centum of*
25 *the funds paid to it for any fiscal year ending prior to*

1 *July 1, 1970, for the administration of the program described*
 2 *in paragraph (5) of subsection (a).*

3 *CONTRACTS TO ENCOURAGE FULL UTILIZATION OF*
 4 *EDUCATIONAL TALENT*

5 *SEC. 408. (a) To assist in achieving the purposes of this*
 6 *title the Commissioner is authorized (without regard to*
 7 *section 3709 of the Revised Statutes (41 U.S.C. 5)), to*
 8 *enter into contracts, not to exceed \$100,000 per year, with*
 9 *State and local educational agencies and other public or*
 10 *nonprofit organizations and institutions for the purpose of—*

11 *(1) identifying qualified youths from low-income*
 12 *families and encouraging them to complete secondary*
 13 *school and undertake postsecondary educational training,*

14 *(2) publicizing existing forms of student financial*
 15 *aid, including aid furnished under this part, and*

16 *(3) encouraging secondary-school dropouts of*
 17 *demonstrated aptitude to reenter educational programs,*
 18 *including post-secondary-school programs.*

19 *(b) There are hereby authorized to be appropriated such*
 20 *sums as may be necessary to carry out this section.*

21 *DEFINITION OF “ACADEMIC YEAR”*

22 *SEC. 409. As used in this part, the term “academic*
 23 *year” means an academic year or its equivalent as defined*
 24 *in regulations of the Commissioner.*

1 *PART B—FEDERAL, STATE, AND PRIVATE PROGRAMS OF*
2 *LOW-INTEREST INSURED LOANS TO STUDENTS IN IN-*
3 *STITUTIONS OF HIGHER EDUCATION*

4 *STATEMENT OF PURPOSE AND APPROPRIATIONS*

5 *AUTHORIZED*

6 *SEC. 421. (a) The purpose of this part is to enable*
7 *the Commissioner (1) to encourage States and nonprofit*
8 *private institutions and organizations to establish adequate*
9 *loan insurance programs for students in eligible institutions*
10 *(as defined in section 435), (2) to provide a Federal pro-*
11 *gram of student loan insurance for students who do not*
12 *have reasonable access to a State or private nonprofit pro-*
13 *gram of student loan insurance covered by an agreement*
14 *under section 428(b), and (3) to pay a portion of the*
15 *interest on loans to qualified students which are insured un-*
16 *der this part or under a program of a State or of a nonprofit*
17 *private institution or organization which meets the require-*
18 *ments of section 428(a)(1)(A).*

19 *(b) For the purpose of carrying out this part—*

20 *(1) there are authorized to be appropriated to the*
21 *student loan insurance fund (established by section 431)*
22 *(A) the sum of \$1,000,000, and (B) such further sums,*
23 *if any, as may become necessary for the adequacy of the*
24 *student loan insurance fund,*

1 (2) there are authorized to be appropriated, for
 2 payments under section 428 with respect to interest on
 3 insured loans, such sums for the fiscal year ending June
 4 30, 1966, and succeeding fiscal years, as may be required
 5 therefor, and

6 (3) there are authorized to be appropriated the
 7 sum of \$17,500,000 for making advances pursuant to
 8 section 422 for the reserve funds of State and nonprofit
 9 private student loan insurance programs.

10 Sums appropriated under clauses (1) and (2) of this sub-
 11 section shall remain available until expended, and sums ap-
 12 propriated under clause (3) of this subsection shall remain
 13 available for advances under section 422 until the close of
 14 the fiscal year ending June 30, 1968.

15 ADVANCES FOR RESERVE FUNDS OF STATE AND NON-
 16 PROFIT PRIVATE LOAN INSURANCE PROGRAMS

17 SEC. 422. (a)(1) From the sums appropriated pur-
 18 suant to clause (3) of section 421(b), the Commissioner is
 19 authorized to make advances to any State with which he
 20 has made an agreement pursuant to section 428(b) for the
 21 purpose of helping to establish or strengthen the reserve fund
 22 of the student loan insurance program covered by that agree-
 23 ment. If for any of the fiscal years ending June 30, 1966,
 24 June 30, 1967, or June 30, 1968, a State does not have a
 25 student loan insurance program covered by an agreement

1 pursuant to section 428(b), and the Commissioner determines
2 after consultation with the chief executive officer of that State
3 that there is no reasonable likelihood that the State will have
4 such a student loan insurance program for such year, the
5 Commissioner may make advances for such year for the same
6 purpose to one or more nonprofit private institutions or orga-
7 nizations with which he has made an agreement pursuant to
8 section 428(b) in order to enable students in that State to
9 participate in a program of student loan insurance covered by
10 such an agreement. The Commissioner may make advances
11 under this subsection both to a State program with which
12 he has such an agreement and to one or more nonprofit
13 private institutions or organizations with which he has such
14 an agreement in that State if he determines that such ad-
15 vances are necessary in order that students in each eligible
16 institution have access through such institution to a student
17 loan insurance program which meets the requirements of
18 section 428(b)(1).

19 (2) Advances pursuant to this subsection shall be upon
20 such terms and conditions (including conditions relating to
21 the time or times of payment) consistent with the require-
22 ments of section 428(b) as the Commissioner determines
23 will best carry out the purposes of this section. Advances
24 made by the Commissioner under this subsection shall be
25 repaid within such period as the Commissioner may deem to

1 *be appropriate in each case in the light of the maturity and*
2 *solvency of the reserve fund for which the advance was*
3 *made.*

4 *(b) The total of the advances to any State pursuant to*
5 *subsection (a) may not exceed an amount which bears the*
6 *same ratio to $2\frac{1}{2}$ per centum of \$700,000,000 as the popu-*
7 *lation of that State aged eighteen to twenty-two, inclusive,*
8 *bears to the total population of all the States aged eighteen*
9 *to twenty-two, inclusive. If the amount so determined for*
10 *any State, however, is less than \$25,000, it shall be in-*
11 *creased to \$25,000 and the total of the increases thereby*
12 *required shall be derived by proportionately reducing (but*
13 *not below \$25,000) the amount so determined for each of the*
14 *remaining States. Advances to nonprofit private institutions*
15 *and organizations pursuant to subsection (a) may be in such*
16 *amounts as the Commissioner determines will best achieve*
17 *the purposes for which they are made, except that the sum*
18 *of (1) advances to such institutions and organizations for*
19 *the benefit of students in any State plus (2) the amounts*
20 *advanced to such State, may not exceed the maximum amount*
21 *which may be advanced to that State pursuant to the first*
22 *two sentences of this subsection. For the purposes of*
23 *this subsection, the population aged eighteen to twenty-two,*
24 *inclusive, of each State and of all the States shall be deter-*

1 *mined by the Commissioner on the basis of the most satisfac-*
2 *tory data available to him.*

3 *EFFECT OF ADEQUATE NON-FEDERAL PROGRAMS*

4 *SEC. 423. The Commissioner shall not issue certificates*
5 *of insurance under section 429 to lenders in a State if he*
6 *determines that every eligible institution has reasonable access*
7 *in that State to a State or private nonprofit student loan*
8 *insurance program which is covered by an agreement under*
9 *section 428(b).*

10 *SCOPE AND DURATION OF LOAN INSURANCE PROGRAM*

11 *SEC. 424. (a) The total principal amount of new loans*
12 *made and installments paid pursuant to lines of credit (as*
13 *defined in section 435) to students covered by insurance*
14 *under this part shall not exceed \$700,000,000 in the fiscal*
15 *year ending June 30, 1966, \$1,000,000,000 in the fiscal*
16 *year ending June 30, 1967, and \$1,400,000,000 in the fiscal*
17 *year ending June 30, 1968. Thereafter, insurance pur-*
18 *suant to this part may be granted only for loans made (or*
19 *for loan installments paid pursuant to lines of credit) to*
20 *enable students, who have obtained prior loans insured*
21 *under this part, to continue or complete their educational*
22 *programs; but no insurance may be granted for any loan*
23 *made or installment paid after June 30, 1972.*

1 (b) The Commissioner may, if he finds it necessary to
 2 do so in order to assure an equitable distribution of the bene-
 3 fits of this part, assign, within the maximum amounts speci-
 4 fied in subsection (a), insurance quotas applicable to eligible
 5 lenders, or to States or areas, and may from time to time
 6 reassign unused portions of these quotas.

7 LIMITATIONS ON INDIVIDUAL LOANS AND ON INSURANCE

8 SEC. 425. (a) The total of the loans made to a student
 9 in any academic year or its equivalent (as determined under
 10 regulations of the Commissioner) which may be covered
 11 by insurance under this part may not exceed \$1,500 in the
 12 case of a graduate or professional student (as defined in regu-
 13 lations of the Commissioner), or \$1,000 in the case of any
 14 other student. The aggregate insured unpaid principal
 15 amount of all such insured loans made to any student shall
 16 not at any time exceed \$7,500 in the case of any graduate
 17 or professional student (as defined in regulations of the
 18 Commissioner, and including any such insured loans made
 19 to such person before he became a graduate or professional
 20 student), or \$5,000 in the case of any other student. The
 21 annual insurable limit per student shall not be deemed to be
 22 exceeded by a line of credit under which actual payments
 23 by the lender to the borrower will not be made in any year
 24 in excess of the annual limit.

25 (b) The insurance liability on any loan insured under

1 *this part shall be 100 per centum of the unpaid balance*
2 *of the principal amount of the loan. Such insurance liability*
3 *shall not include liability for interest whether or not that*
4 *interest has been added to the principal amount of the loan.*

5 *SOURCES OF FUNDS*

6 *SEC. 426. Loans made by eligible lenders in accord-*
7 *ance with this part shall be insurable whether made from*
8 *funds fully owned by the lender or from funds held by the*
9 *lender in a trust or similar capacity and available for such*
10 *loans.*

11 *ELIGIBILITY OF STUDENT BORROWERS AND TERMS OF*
12 *STUDENT LOANS*

13 *SEC. 427. (a) A loan by an eligible lender shall be*
14 *insurable under the provisions of this part only if—*

15 *(1) made to a student who (A) has been accepted*
16 *for enrollment at an eligible institution or, in the case*
17 *of a student already attending such institution, is in good*
18 *standing there as determined by the institution, and*
19 *(B) is carrying at least one-half of the normal full-time*
20 *workload as determined by the institution, and (C) has*
21 *provided the lender with a statement of the institution*
22 *which sets forth a schedule of the tuition and fees appli-*
23 *cable to that student and its estimate of the cost of board*
24 *and room for such a student; and*

1 (2) evidenced by a note or other written agreement
2 which—

3 (A) is made without security and without en-
4 dorsement, except that if the borrower is a minor
5 and such note or other written agreement executed
6 by him would not, under the applicable law, create
7 a binding obligation, endorsement may be required,

8 (B) provides for repayment (except as pro-
9 vided in subsection (c)) of the principal amount of
10 the loan in installments over a period of not less
11 than five years (unless sooner repaid) nor more
12 than ten years beginning not earlier than nine months
13 nor later than one year after the date on which the
14 student ceases to carry at an eligible institution at
15 least one-half the normal full-time academic work-
16 load as determined by the institution, except that
17 (i) the period of the loan may not exceed fifteen
18 years from the execution of the note or written
19 agreement evidencing it and (ii) the note or other
20 written instrument may contain such provisions re-
21 lating to repayment in the event of default in the
22 payment of interest or in the payment of the cost
23 of insurance premiums, or other default by the
24 borrower, as may be authorized by regulations of

1 *the Commissioner in effect at the time the loan is*
2 *made,*

3 *(C) provides for interest on the unpaid princi-*
4 *pal balance of the loan at a yearly rate, not exceed-*
5 *ing the applicable maximum rate prescribed and*
6 *defined by the Secretary (within the limits set forth*
7 *in subsection (b)) on a national, regional, or other*
8 *appropriate basis, which interest shall be payable in*
9 *installments over the period of the loan except that,*
10 *if provided in the note or other written agreement,*
11 *any interest payable by the student may be deferred*
12 *until not later than the date upon which repayment*
13 *of the first installment of principal falls due, in which*
14 *case interest that has so accrued during that period*
15 *may be added on that date to the principal (but*
16 *without thereby increasing the insurance liability*
17 *under this part),*

18 *(D) provides that the lender will not collect or*
19 *attempt to collect from the borrower any portion of*
20 *the interest on the note which is payable by the*
21 *Commissioner under this part,*

22 *(E) entitles the student borrower to accelerate*
23 *without penalty repayment of the whole or any*
24 *part of the loan, and*

1 (F) contains such other terms and conditions,
2 consistent with the provisions of this part and with
3 the regulations issued by the Commissioner pur-
4 suant to this part, as may be agreed upon by the
5 parties to such loan, including, if agreed upon, a
6 provision requiring the borrower to pay to the
7 lender, in addition to principal and interest, amounts
8 equal to the insurance premiums payable by the
9 lender to the Commissioner with respect to such
10 loan.

11 (b) No maximum rate of interest prescribed and de-
12 fined by the Secretary for the purposes of clause (2)(C)
13 of subsection (a) may exceed 6 per centum per annum on
14 the unpaid principal balance of the loan, except that under
15 circumstances which threaten to impede the carrying out of
16 the purposes of this part, one or more of such maximum
17 rates of interest may be as high as 7 per centum per annum
18 on the unpaid principal balance of the loan.

19 (c) The total of the payments by a borrower during
20 any year of any repayment period with respect to the aggre-
21 gate amount of all loans to that borrower which are insured
22 under this part shall not be less than \$360 or the balance
23 of all of such loans (together with interest thereon), which-
24 ever amount is less.

1 *FEDERAL PAYMENTS TO REDUCE STUDENT INTEREST COSTS*

2 *SEC. 428. (a)(1) Each student who has received a*
3 *loan which is insured under this part or a loan, for study at*
4 *an eligible institution, which—*

5 *(A) is insured under a State program, or un-*
6 *der a program of a nonprofit private institution or*
7 *organization, (i) which, in the case of loans insured*
8 *prior to July 1, 1967, meets the requirements of*
9 *subparagraph (E) of subsection (b)(1) and pro-*
10 *vides that repayment of such loans shall be in install-*
11 *ments beginning not earlier than 60 days after the*
12 *student ceases to pursue a course of study (as de-*
13 *scribed in subparagraph (D) of subsection (b)(1))*
14 *at an eligible institution, or (ii) which, in the case*
15 *of loans insured after June 30, 1967, is covered by*
16 *an agreement made pursuant to subsection (b), and*

17 *(B) was contracted for after the date of en-*
18 *actment of this Act and was paid to the student*
19 *either (i) prior to July 1, 1968, or (ii) prior to*
20 *July 1, 1972, in the case of a loan made (or a loan*
21 *installment paid pursuant to a line of credit) to*
22 *enable a student who has obtained a prior loan*
23 *insured under such program to continue or com-*
24 *plete his educational program,*

1 and whose adjusted family income is less than \$15,000 at the
2 time of execution of the note or written agreement evidencing
3 such loan, shall be entitled to have paid on his behalf and for
4 his account to the holder of the loan, over the period of the
5 loan, a portion of the interest on the loan. For the purposes
6 of this paragraph, the adjusted family income of a student
7 shall be determined pursuant to regulations of the Commis-
8 sioner in effect at the time of the execution of the note or
9 written agreement evidencing the loan. Such regulations
10 shall provide for taking into account such factors, including
11 family size, as the Commissioner deems appropriate. In the
12 absence of fraud by the lender, such determination of the ad-
13 justed family income of a student shall be final so far as the
14 obligation of the Commissioner to pay a portion of the interest
15 on a loan is concerned.

16 (2) The portion of the interest on a loan which a stu-
17 dent is entitled to have paid on his behalf and for his account
18 to the holder of the loan pursuant to paragraph (1) shall be
19 equal to the total amount of the interest on the unpaid prin-
20 cipal amount of the loan which accrues prior to the beginning
21 of the repayment period of the loan, and 3 per centum per
22 annum of the unpaid principal amount of the loan (excluding
23 interest which has been added to principal) thereafter; but
24 such portion of the interest on a loan shall not exceed, for any
25 period, the amount of the interest on that loan which is pay-

1 able by the student after taking into consideration the amount
2 of any interest on that loan which the student is entitled to
3 have paid on his behalf for that period under any State or
4 private loan insurance program. The holder of an insured
5 loan shall be deemed to have a contractual right, as against
6 the United States, to receive from the Commissioner the por-
7 tion of interest which has been so determined. The Commis-
8 sioner shall pay this portion of the interest to the holder of
9 the insured loan on behalf of and for the account of the bor-
10 rower at such times as may be specified in regulations in
11 force when the applicable agreement entered into pursuant to
12 subsection (b) was made, or if the loan is insured under a
13 program which is not covered by such an agreement, at such
14 times as may be specified in regulations in force at the time
15 the loan was paid to the student.

16 (3) Each holder of a loan with respect to which pay-
17 ments of interest are required to be made by the Commis-
18 sioner shall submit to the Commissioner, at such time or
19 times and in such manner as he may prescribe, statements
20 containing such information as may be required by or pur-
21 suant to regulation for the purpose of enabling the Com-
22 missioner to determine the amount of the payment which he
23 must make with respect to that loan.

24 (b)(1) Any State or any nonprofit private institution
25 or organization may enter into an agreement with the Com-

1 *missioner for the purpose of entitling students who receive*
2 *loans which are insured under a student loan insurance pro-*
3 *gram of that State, institution, or organization to have*
4 *made on their behalf payments equal to those provided for*
5 *in subsection (a) if the Commissioner determines that the*
6 *student loan insurance program—*

7 *(A) authorizes the insurance of not less than*
8 *\$1,000 nor more than \$1,500 in loans to any individual*
9 *student in any academic year or its equivalent (as de-*
10 *termined under regulations of the Commissioner);*

11 *(B) authorizes the insurance of loans to any in-*
12 *dividual student for at least six academic years of study*
13 *or their equivalent (as determined under regulations*
14 *of the Commissioner);*

15 *(C) provides that (i) the student borrower shall*
16 *be entitled to accelerate without penalty the whole or*
17 *any part of an insured loan, (ii) the period of any*
18 *insured loan may not exceed fifteen years from the date*
19 *of execution of the note or other written evidence of the*
20 *loan, and (iii) the note or other written evidence of*
21 *any loan may contain such provisions relating to repay-*
22 *ment in the event of default by the borrower as may be*
23 *authorized by regulations of the Commissioner in effect*
24 *at the time such note or written evidence was executed;*

25 *(D) subject to subparagraph (C), provides that,*

1 *where the total of the insured loans to any student which*
2 *are held by any one person exceeds \$2,000, repayment*
3 *of such loans shall be in installments over a period of not*
4 *less than five years nor more than ten years beginning*
5 *not earlier than nine months nor later than one year after*
6 *the student ceases to pursue a full-time course of study at*
7 *an eligible institution, except that if the program pro-*
8 *vides for the insurance of loans for part-time study at*
9 *eligible institutions the program shall provide that such*
10 *repayment period shall begin not earlier than nine months*
11 *nor later than one year after the student ceases to carry*
12 *at an eligible institution at least one-half the normal full-*
13 *time academic workload as determined by the institution;*

14 *(E) authorizes interest on the unpaid balance of*
15 *the loan at a yearly rate not in excess of 6 per centum*
16 *per annum on the unpaid principal balance of the loan*
17 *(exclusive of any premium for insurance which may be*
18 *passed on to the borrower);*

19 *(F) insures not less than 90 per centum of the*
20 *unpaid principal of loans insured under the program;*

21 *(G) does not provide for collection of an excessive*
22 *insurance premium;*

23 *(H) provides that the benefits of the loan insur-*
24 *ance program will not be denied any student because*
25 *of his family income or lack of need if his adjusted*

1 *family income at the time the note or written agreement*
2 *is executed is less than \$15,000 (as determined pursuant*
3 *to the regulations of the Commissioner prescribed under*
4 *section 428(a)(1));*

5 *(I) provides that a student may obtain insurance*
6 *under the program for a loan for any year of study at*
7 *an eligible institution; and*

8 *(J) in the case of a State program, provides that*
9 *such State program is administered by a single State*
10 *agency, or by one or more nonprofit private institutions*
11 *or organizations under the supervision of a single State*
12 *agency.*

13 *(2) Such an agreement shall—*

14 *(A) provide that the holder of any such loan will*
15 *be required to submit to the Commissioner, at such time*
16 *or times and in such manner as he may prescribe, state-*
17 *ments containing such information as may be required*
18 *by or pursuant to regulation for the purpose of enabling*
19 *the Commissioner to determine the amount of the pay-*
20 *ment which he must make with respect to that loan;*

21 *(B) include such other provisions as may be neces-*
22 *sary to protect the financial interest of the United States*
23 *and promote the purposes of this part and as are agreed*
24 *to by the Commissioner and the State or the nonprofit*

1 *private institution or organization, as the case may be;*
2 *and*

3 *(C) provide for making such reports in such form*
4 *and containing such information as the Commissioner*
5 *may reasonably require to carry out his function under*
6 *this part and for keeping such records and for affording*
7 *such access thereto as the Commissioner may find neces-*
8 *sary to assure the correctness and verification of such*
9 *reports.*

10 *CERTIFICATES OF INSURANCE—EFFECTIVE DATE OF*
11 *INSURANCE*

12 *SEC. 429. (a)(1) If, upon application by an eligible*
13 *lender, made upon such form, containing such information,*
14 *and supported by such evidence as the Commissioner may*
15 *require, and otherwise in conformity with this section, the*
16 *Commissioner finds that the applicant has made a loan to*
17 *an eligible student which is insurable under the provisions of*
18 *this part, he may issue to the applicant a certificate of in-*
19 *surance covering the loan and setting forth the amount and*
20 *terms of the insurance.*

21 *(2) Insurance evidenced by a certificate of insurance*
22 *pursuant to subsection (a)(1) shall become effective upon*
23 *the date of issuance of the certificate, except that the Com-*
24 *missioner is authorized, in accordance with regulations, to*

1 issue commitments with respect to proposed loans, or with
2 respect to lines (or proposed lines) of credit, submitted by
3 eligible lenders, and in that event, upon compliance with
4 subsection (a)(1) by the lender, the certificate of insurance
5 may be issued effective as of the date when any loan, or any
6 payment by the lender pursuant to a line of credit, to be
7 covered by such insurance was made. Such insurance shall
8 cease to be effective upon sixty days' default by the lender
9 in the payment of any installment of the premiums payable
10 pursuant to subsection (c).

11 (3) An application submitted pursuant to subsection
12 (a)(1) shall contain (A) an agreement by the applicant
13 to pay, in accordance with regulations, the premiums fixed
14 by the Commissioner pursuant to subsection (c), and (B)
15 an agreement by the applicant that if the loan is covered by
16 insurance the applicant will submit such supplementary re-
17 ports and statements during the effective period of the loan
18 agreement, upon such forms, at such times, and containing
19 such information as the Commissioner may prescribe by or
20 pursuant to regulation.

21 (b)(1) In lieu of requiring a separate insurance appli-
22 cation and issuing a separate certificate of insurance for
23 each student loan made by an eligible lender as provided in
24 subsection (a), the Commissioner may, in accordance with
25 regulations consistent with section 424, issue to any eligible

1 lender applying therefor a certificate of comprehensive in-
2 surance coverage which shall, without further action by
3 the Commissioner, insure all insurable loans made by that
4 lender, on or after the date of the certificate and before a
5 specified cutoff date, within the limits of an aggregate maxi-
6 mum amount stated in the certificate. Such regulations
7 may provide for conditioning such insurance, with respect
8 to any loan, upon compliance by the lender with such re-
9 quirements (to be stated or incorporated by reference in the
10 certificate) as in the Commissioner's judgment will best
11 achieve the purpose of this subsection while protecting the
12 financial interest of the United States and promoting the
13 objectives of this part, including (but not limited to) pro-
14 visions as to the reporting of such loans and information
15 relevant thereto to the Commissioner and as to the payment
16 of initial and other premiums and the effect of default there-
17 in, and including provision for confirmation by the Com-
18 missioner from time to time (through endorsement of the
19 certificate) of the coverage of specific new loans by such
20 certificate, which confirmation shall be incontestable by the
21 Commissioner in the absence of fraud or misrepresentation
22 of fact or patent error.

23 (2) If the holder of a certificate of comprehensive in-
24 surance issued under this subsection grants to a student a
25 line of credit extending beyond the cutoff date specified in

1 that certificate, loans or payments thereon made by the
2 holder after that date pursuant to the line of credit shall
3 not be deemed to be included in the coverage of that
4 certificate except as may be specifically provided therein;
5 but, subject to the limitations of section 424, the Com-
6 missioner may, in accordance with regulations, make com-
7 mitments to insure such future loans or payments, and
8 such commitments may be honored either as provided in
9 subsection (a) or by inclusion of such insurance in com-
10 prehensive coverage under this subsection for the period
11 or periods in which such future loans or payments are
12 made.

13 (c) The Commissioner shall, pursuant to regulations,
14 charge for insurance on each loan under this part a pre-
15 mium in an amount not to exceed one-fourth of 1 per
16 centum per year of the unpaid principal amount of such
17 loan (excluding interest added to principal), payable in
18 advance, at such time and in such manner as may be pre-
19 scribed by the Commissioner. Such regulations may provide
20 that such premium shall not be payable, or if paid shall
21 be refundable, with respect to any period after default in
22 the payment of principal or interest or after the borrower
23 has died or become totally and permanently disabled, if
24 (1) notice of such default or other event has been duly
25 given, and (2) request for payment of the loss insured

1 against has been made or the Commissioner has made such
2 payment on his own motion pursuant to section 430(a).

3 (d) The rights of an eligible lender arising under
4 insurance evidenced by a certificate of insurance issued to
5 it under this section may be assigned as security by such
6 lender only to another eligible lender, and subject to regula-
7 tion by the Commissioner.

8 (e) The consolidation of the obligations of two or more
9 insured loans obtained by a student borrower in any fiscal
10 year into a single obligation evidenced by a single instru-
11 ment of indebtedness shall not affect the insurance by the
12 United States. If the loans thus consolidated are covered
13 by separate certificates of insurance issued under subsection
14 (a), the Commissioner may upon surrender of the original
15 certificates issue a new certificate of insurance in accordance
16 with that subsection upon the consolidated obligation; if
17 they are covered by a single comprehensive certificate
18 issued under subsection (b), the Commissioner may amend
19 that certificate accordingly.

20 *PROCEDURE ON DEFAULT, DEATH, OR DISABILITY OF*
21 *STUDENT*

22 *SEC. 430. (a) Upon default by the student borrower*
23 *on any loan covered by insurance pursuant to this part, or*
24 *upon the death of the student borrower or a finding by*

1 *the insurance beneficiary that the borrower has become*
2 *totally and permanently disabled (as determined in accord-*
3 *ance with regulations established by the Commissioner)*
4 *before the loan has been repaid in full, and prior to the*
5 *commencement of suit or other enforcement proceeding*
6 *upon security for that loan, the insurance beneficiary shall*
7 *promptly notify the Commissioner, and the Commissioner*
8 *shall if requested (at that time or after further collection*
9 *efforts) by the beneficiary, or may on his own motion, if the*
10 *insurance is still in effect, pay to the beneficiary the amount*
11 *of the loss sustained by the insured upon that loan as soon*
12 *as that amount has been determined. The "amount of the*
13 *loss" on any loan shall, for the purposes of this subsection*
14 *and subsection (b), be deemed to be an amount equal to*
15 *the unpaid balance of the principal amount of the loan.*

16 *(b) Upon payment by the Commissioner of the insured*
17 *portion of the loss pursuant to subsection (a), the United*
18 *States shall be subrogated to all of the rights of the holder of*
19 *the obligation upon the insured loan and shall be entitled to*
20 *an assignment of the note or other evidence of the insured*
21 *loan by the insurance beneficiary. If the net recovery made*
22 *by the Commissioner on a loan after deduction of the cost of*
23 *that recovery (including reasonable administrative costs)*
24 *exceeds the amount of the loss, the excess shall be paid over*
25 *to the insured.*

1 (c) Nothing in this section or in this part shall be con-
2 strued to preclude any forbearance for the benefit of the stu-
3 dent borrower which may be agreed upon by the parties to
4 the insured loan and approved by the Commissioner, or to
5 preclude forbearance by the Commissioner in the enforce-
6 ment of the insured obligation after payment on that insur-
7 ance, or to require collection of the amount of any loan by
8 the insurance beneficiary or by the Commissioner from the
9 estate of a deceased borrower or from a borrower found by
10 the insurance beneficiary to have become permanently and
11 totally disabled.

12 (d) Nothing in this section or in this part shall be con-
13 strued to excuse the holder of a loan from exercising reason-
14 able care and diligence in the making and collection of loans
15 under the provisions of this part. If the Commissioner, after
16 reasonable notice and opportunity for hearing to an eligible
17 lender, finds that it has substantially failed to exercise such
18 care and diligence or to make the reports and statements re-
19 quired under section 428(a)(3) and section 429(a)(3),
20 or to pay the required insurance premiums, he shall dis-
21 qualify that lender for further insurance on loans granted
22 pursuant to this part until he is satisfied that its failure has
23 ceased and finds that there is reasonable assurance that the
24 lender will in the future exercise necessary care and diligence
25 or comply with such requirements, as the case may be.

1 (e) As used in this section—

2 (1) the term “insurance beneficiary” means the
3 insured or its authorized assignee in accordance with
4 section 429(d); and

5 (2) the term "default" includes only such defaults
6 as have existed for (A) one hundred and twenty days
7 in the case of a loan which is repayable in monthly in-
8 stallments, or (B) one hundred and eighty days in the
9 case of a loan which is repayable in less frequent
10 installments.

11 INSURANCE FUND

12 *SEC. 431. (a) There is hereby established a student*
13 *loan insurance fund (hereinafter in this section called the*
14 *“fund”) which shall be available without fiscal year limita*
15 *tion to the Commissioner for making payments in connection*
16 *with the default of loans insured under this part. All*
17 *amounts received by the Commissioner as premium charges*
18 *for insurance and as receipts, earnings, or proceeds derived*
19 *from any claim or other assets acquired by the Commis-*
20 *sioner in connection with his operations under this part,*
21 *and any other moneys, property, or assets derived by the*
22 *Commissioner from his operations in connection with this*
23 *section, shall be deposited in the fund. All payments in*
24 *connection with the default of loans insured under this part*
25 *shall be paid from the fund. Moneys in the fund not needed*

1 for current operations under this section may be invested
2 in bonds or other obligations guaranteed as to principal and
3 interest by the United States.

4 (b) If at any time the moneys in the fund are insuffi-
5 cient to make payments in connection with the default of any
6 loan insured under this part, the Commissioner is authorized
7 to issue to the Secretary of the Treasury notes or other ob-
8 ligations in such forms and denominations, bearing such ma-
9 turities, and subject to such terms and conditions as may be
10 prescribed by the Commissioner with the approval of the
11 Secretary of the Treasury. Such notes or other obligations
12 shall bear interest at a rate determined by the Secretary of
13 the Treasury, taking into consideration the current average
14 market yield on outstanding marketable obligations of the
15 United States of comparable maturities during the month
16 preceding the issuance of the notes or other obligations.
17 The Secretary of the Treasury is authorized and directed to
18 purchase any notes and other obligations issued hereunder
19 and for that purpose he is authorized to use as a public debt
20 transaction the proceeds from the sale of any securities issued
21 under the Second Liberty Bond Act, as amended, and the
22 purposes for which securities may be issued under that Act,
23 as amended, are extended to include any purchases of such
24 notes and obligations. The Secretary of the Treasury may
25 at any time sell any of the notes or other obligations ac-

1 *quired by him under this subsection. All redemptions, pur-*
 2 *chases, and sales by the Secretary of the Treasury of such*
 3 *notes or other obligations shall be treated as public debt*
 4 *transactions of the United States. Sums borrowed under*
 5 *this subsection shall be deposited in the fund and redemption*
 6 *of such notes and obligations shall be made by the Commis-*
 7 *sioner from such fund.*

8 *LEGAL POWERS AND RESPONSIBILITIES*

9 *SEC. 432. (a) In the performance of, and with respect*
 10 *to, the functions, powers, and duties vested in him by this*
 11 *part, the Commissioner may—*

12 *(1) prescribe such regulations as may be necessary*
 13 *to carry out the purposes of this part;*

14 *(2) sue and be sued in any court of record of a*
 15 *State having general jurisdiction or in any district court*
 16 *of the United States, and such district courts shall have*
 17 *jurisdiction of civil actions arising under this part with-*
 18 *out regard to the amount in controversy, and any action*
 19 *instituted under this subsection by or against the Com-*
 20 *missioner shall survive notwithstanding any change in*
 21 *the person occupying the office of Commissioner or any*
 22 *vacancy in that office; but no attachment, injunction,*
 23 *garnishment, or other similar process, mesne or final,*
 24 *shall be issued against the Commissioner or property*
 25 *under his control, and nothing herein shall be construed*

1 to except litigation arising out of activities under this
2 part from the application of sections 507(b) and 2679
3 of title 28 of the United States Code and of section 367
4 of the Revised Statutes (5 U.S.C. 316);

5 (3) include in any contract for insurance such
6 terms, conditions, and covenants relating to repayment
7 of principal and payment of interest, relating to his ob-
8 ligations and rights and to those of eligible lenders, and
9 borrowers in case of default, and relating to such other
10 matters as the Commissioner determines to be necessary
11 to assure that the purposes of this part will be achieved;
12 and any term, condition, and covenant made pursuant
13 to this clause or any other provisions of this part may
14 be modified by the Commissioner if he determines that
15 modification is necessary to protect the financial interest
16 of the United States;

17 (4) subject to the specific limitations in this part,
18 consent to the modification, with respect to rate of inter-
19 est, time of payment of any installment of principal and
20 interest or any portion thereof, or any other provision
21 of any note or other instrument evidencing a loan which
22 has been insured under this part;

23 (5) enforce, pay, or compromise, any claim on, or
24 arising because of, any such insurance; and

25 (6) enforce, pay, compromise, waive, or release

any right, title, claim, lien, or demand, however acquired, including any equity or any right or redemption.

(b) The Commissioner shall, with respect to the financial operations arising by reason of this part—

(1) prepare annually and submit a budget program as provided for wholly owned Government corporations by the Government Corporation Control Act; and

(2) maintain with respect to insurance under this part an integral set of accounts, which shall be audited annually by the General Accounting Office in accordance with principles and procedures applicable to commercial corporate transactions, as provided by section 105 of the Government Corporation Control Act, except that the transactions of the Commissioner, including the settlement of insurance claims and of claims for payments pursuant to section 428, and transactions related thereto and vouchers approved by the Commissioner in connection with such transactions, shall be final and conclusive upon all accounting and other officers of the Government.

ADVISORY COUNCIL ON INSURED LOANS TO STUDENTS

SEC. 433. (a) The Secretary shall establish in the Office of Education an Advisory Council on Insured Loans to Students, consisting of the Commissioner, who shall be Chairman, and eight members appointed, without regard to the civil service laws, by the Secretary. The membership of the

1 Council shall include persons representing State loan insur-
2 ance programs, private nonprofit loan insurance programs,
3 financial and credit institutions, and institutions of higher
4 education.

5 (b) The Advisory Council shall advise the Commissioner
6 in the preparation of general regulations and with respect
7 to policy matters arising in the administration of this part,
8 including policies and procedures governing the making of
9 advances under section 422 and the Federal payments to re-
10 duce student interest costs under section 428.

11 (c) Members of the Advisory Council, while serving on
12 the business of the Advisory Council away from their homes
13 or regular places of business, may be allowed travel expenses,
14 including per diem in lieu of subsistence, as authorized by
15 section 5 of the Administrative Expenses Act of 1946 (5
16 U.S.C. 73b-2), for persons in the Government service em-
17 ployed intermittently.

18 PARTICIPATION BY FEDERAL CREDIT UNIONS IN FEDERAL,
19 STATE, AND PRIVATE STUDENT LOAN INSURANCE
20 PROGRAMS

21 SEC. 434. Notwithstanding any other provision of law,
22 Federal credit unions shall, pursuant to regulations of the
23 Director of the Bureau of Federal Credit Unions, have power
24 to make insured loans up to 10 per centum of their assets, to
25 student members in accordance with the provisions of this

1 *part or in accordance with the provisions of any State or*
2 *nonprofit private student loan insurance program which meets*
3 *the requirements of section 428(a)(1)(A).*

4 *DEFINITIONS FOR REDUCED-INTEREST STUDENT LOAN*
5 *INSURANCE PROGRAM*

6 *SEC. 435. As used in this part:*

7 *(a) The term "eligible institution" means an educa-*
8 *tional institution in any State which (1) admits as regular*
9 *students only persons having a certificate of graduation from*
10 *a school providing secondary education, or the recognized*
11 *equivalent of such certificate, (2) is legally authorized*
12 *within such State to provide a program of education beyond*
13 *secondary education, (3) provides an educational program*
14 *for which it awards a bachelor's degree or provides not*
15 *less than a two-year program which is acceptable for full*
16 *credit toward such a degree, (4) is a public or other non-*
17 *profit institution, and (5) is accredited by a nationally*
18 *recognized accrediting agency or association approved by*
19 *the Commissioner for this purpose or, if not so accredited,*
20 *(A) is an institution with respect to which the Commis-*
21 *sioner has determined that there is satisfactory assurance,*
22 *considering the resources available to the institution, the*
23 *period of time, if any, during which it has operated, the effort*
24 *it is making to meet accreditation standards, and the purpose*

1 *for which this determination is being made, that the institu-*
2 *tion will meet the accreditation standards of such an agency*
3 *or association within a reasonable time, or (B) is an institu-*
4 *tion whose credits are accepted on transfer by not less than*
5 *three institutions which are so accredited, for credit on the*
6 *same basis as if transferred from an institution so accredited.*
7 *Such term also includes any public or other nonprofit col-*
8 *legiate or associate degree school of nursing and any school*
9 *which provides not less than a one-year program of training*
10 *to prepare students for gainful employment in a recognized*
11 *occupation and which meets the provisions of clauses (1),*
12 *(2), and (5). If the Commissioner determines that a*
13 *particular category of such schools does not meet the re-*
14 *quirements of clause (5) because there is no nationally*
15 *recognized accrediting agency or association qualified to*
16 *accredit schools in such category, he shall, pending the*
17 *establishment of such an accrediting agency or association,*
18 *appoint an advisory committee, composed of persons spe-*
19 *cially qualified to evaluate training provided by schools in*
20 *such category, which shall (i) prescribe the standards of*
21 *content, scope, and quality which must be met in order to*
22 *qualify schools in such category to participate in the pro-*
23 *gram pursuant to this part, and (ii) determine whether*
24 *particular schools not meeting the requirements of clause*
25 *(5) meet those standards. For purposes of this subsection,*

1 *the Commissioner shall publish a list of nationally recognized*
2 *accrediting agencies which he determines to be reliable au-*
3 *thority as to the quality of training offered.*

4 *(b) The term "collegiate school of nursing" means a*
5 *department, division, or other administrative unit in a college*
6 *or university which provides primarily or exclusively an ac-*
7 *credited program of education in professional nursing and*
8 *allied subjects leading to the degree of bachelor of arts,*
9 *bachelor of science, bachelor of nursing, or to an equivalent*
10 *degree, or to a graduate degree in nursing.*

11 *(c) The term "associate degree school of nursing"*
12 *means a department, division, or other administrative unit*
13 *in a junior college, community college, college, or university*
14 *which provides primarily or exclusively an accredited two-*
15 *year program of education in professional nursing and allied*
16 *subjects leading to an associate degree in nursing or to an*
17 *equivalent degree.*

18 *(d) The term "accredited" when applied to any pro-*
19 *gram of nurse education means a program accredited by a*
20 *recognized body or bodies approved for such purpose by the*
21 *Commissioner of Education.*

22 *(e) The term "eligible lender" means an eligible insti-*
23 *tution, or a financial or credit institution (including an in-*
24 *surance company) which is subject to examination and su-*
25 *pervision by an agency of the United States or of any State,*

1 (f) The term "line of credit" means an arrangement
 2 or agreement between the lender and the borrower whereby
 3 a loan is paid out by the lender to the borrower in annual
 4 installments, or whereby the lender agrees to make, in addi-
 5 tion to the initial loan, additional loans in subsequent years.

6 *PART C—COLLEGE WORK-STUDY PROGRAM EXTENSION*
 7 *AND AMENDMENTS*

8 *TRANSFER OF AUTHORITY AND OTHER AMENDMENTS*

9 *SEC. 441. Parts C and D of title I of the Economic*
 10 *Opportunity Act of 1964 (Public Law 88-452) are*
 11 *amended as follows:*

12 (1) By striking out "Director" in the first sentence
 13 of section 122(a) and inserting in lieu thereof "Com-
 14 missioner of Education (hereinafter in this part referred
 15 to as the 'Commissioner')", and by striking out "Direc-
 16 tor" wherever that word appears in the other provisions
 17 of such part C and inserting in lieu thereof "Commis-
 18 sioner";

19 (2) By amending that part of section 121 that
 20 follows the section designation to read as follows: "The
 21 purpose of this part is to stimulate and promote the
 22 part-time employment of students, particularly students
 23 from low-income families, in institutions of higher educa-
 24 tion who are in need of the earnings from such employ-
 25 ment to pursue courses of study at such institution.";

1 (3) *By striking out section 123 and inserting in*
2 *lieu thereof the following:*

3 “GRANTS FOR WORK-STUDY PROGRAMS

4 “SEC. 123. (a) *The Commissioner is authorized to*
5 *enter into agreements with institutions of higher education*
6 *under which the Commissioner will make grants to such*
7 *institutions to assist in the operation of work-study programs*
8 *as hereinafter provided.*

9 “(b) *For the purposes of this part—*

10 “(1) *The term ‘institution of higher education’ means*
11 *an educational institution in any State which (A) ad-*
12 *mits as regular students only persons having a certificate of*
13 *graduation from a school providing secondary education,*
14 *or the recognized equivalent of such certificate, (B) is*
15 *legally authorized within such State to provide a program of*
16 *education beyond secondary education, (C) provides an*
17 *educational program for which it awards a bachelor’s degree*
18 *or provides not less than a two-year program which is*
19 *acceptable for full credit toward such a degree, (D) is a*
20 *public or other nonprofit institution, and (E) is accredited*
21 *by a nationally recognized accrediting agency or association*
22 *approved by the Commissioner for this purpose or, if not*
23 *so accredited, (i) is an institution with respect to which*
24 *the Commissioner has determined that there is satisfactory*
25 *assurance, considering the resources available to the insti-*

1 *tution, the period of time, if any, during which it has op-*
2 *erated, the effort it is making to meet accreditation standards,*
3 *and the purpose for which this determination is being made,*
4 *that the institution will meet the accreditation standards*
5 *of such an agency or association within a reasonable time, or*
6 *(ii) is an institution whose credits are accepted on transfer*
7 *by not less than three institutions which are so accredited,*
8 *for credit on the same basis as if transferred from an institu-*
9 *tion so accredited. Such term also includes any public or*
10 *other nonprofit collegiate or associate degree school of nurs-*
11 *ing and any school which provides not less than a one-year*
12 *program of training to prepare students for gainful employ-*
13 *ment in a recognized occupation and which meets the*
14 *provisions of clauses (A), (B), (D), and (E). If the*
15 *Commissioner determines that a particular category of such*
16 *schools does not meet the requirements of clause (E) be-*
17 *cause there is no nationally recognized accrediting agency*
18 *or association qualified to accredit schools in such category,*
19 *he shall, pending the establishment of such an accrediting*
20 *agency or association, appoint an advisory committee,*
21 *composed of persons specially qualified to evaluate training*
22 *provided by schools in such category, which shall (I) pre-*
23 *scribe the standards of content, scope, and quality which*
24 *must be met in order to qualify schools in such category to*
25 *participate in the program pursuant to this part, and (II)*

1 *determine whether particular schools not meeting the re-*
2 *quirements of clause (E) meet those standards. For pur-*
3 *poses of this subsection, the Commissioner shall publish a list*
4 *of nationally recognized accrediting agencies which he de-*
5 *termines to be reliable authority as to the quality of training*
6 *offered.*

7 “(2) The term ‘collegiate school of nursing’ means a
8 department, division, or other administrative unit in a college
9 or university which provides primarily or exclusively an
10 accredited program of education in professional nursing and
11 allied subjects leading to the degree of bachelor of arts,
12 bachelor of science, bachelor of nursing, or to an equivalent
13 degree, or to a graduate degree in nursing.

14 “(3) The term ‘associate degree school of nursing’
15 means a department, division, or other administrative unit
16 in a junior college, community college, college, or university
17 which provides primarily or exclusively an accredited two-
18 year program of education in professional nursing and allied
19 subjects leading to an associate degree in nursing or to an
20 equivalent degree.

21 “(4) The term ‘accredited’ when applied to any pro-
22 gram of nurse education means a program accredited by a
23 recognized body or bodies approved for such purpose by the
24 Commissioner.”;

(4) *By striking out section 124(a) and inserting in lieu thereof the following:*

“(a) provide for the operation by the institution of a program for the part-time employment of its students in work for the institution itself or work in the public interest for a public or private nonprofit organization under an arrangement between the institution and such organization, and such work —

“(1) would not otherwise be performed by non-students,

“(2) will not result in the displacement of employed workers or impair existing contracts and services, and

“(3) will be governed by such conditions of employment as will be appropriate and reasonable in light of such factors as type of work performed, geographical region, and proficiency of the employee: Provided, That no such work shall involve the construction, operation, or maintenance of so much of any facility used or to be used for sectarian instruction or as a place for religious worship;”;

(5) By redesignating clauses (2), (3), and (4), of paragraph (c) of section 124 as clauses (1),

1 (2), and (3), and by striking out so much of such
 2 paragraph as precedes such redesignated clauses and in-
 3 serting in lieu thereof the following: “(c) provide that
 4 in the selection of students for employment under such
 5 work-study program preference shall be given to students
 6 from low-income families and that employment under
 7 such work-study program shall be furnished only to a
 8 student who”;

9 (6) By inserting before the period at the end of sec-
 10 tion 125 a comma and the following: “and such share
 11 may be paid to such student in the form of services and
 12 equipment (including tuition, room, board, and books)
 13 furnished by such institution”; and

14 (7) By striking out “provided for in” in section
 15 131 and inserting in lieu thereof “for which he is re-
 16 sponsible under”.

17 APPROPRIATIONS AUTHORIZED

18 SEC. 442. There are authorized to be appropriated
 19 \$129,000,000 for the fiscal year ending June 30, 1966,
 20 \$165,000,000 for the fiscal year ending June 30, 1967,
 21 \$200,000,000 for the fiscal year ending June 30, 1968, and
 22 \$235,000,000 for the fiscal year ending June 30, 1969, and
 23 for the succeeding fiscal year, to carry out the purposes
 24 of part C of title I of the Economic Opportunity Act of
 25 1964 (Public Law 88-452). Any sums which are appro-

1 priated for the fiscal year ending June 30, 1966, for the
 2 purpose of such part C pursuant to an authorization in
 3 the Economic Opportunity Act of 1964, or are allocated for
 4 such purpose from any appropriation for such year, shall
 5 be made available, to the extent unexpended on the date of
 6 enactment of this Act, to the Commissioner for carrying out
 7 such part C, and the total of such sums (including amounts
 8 expended prior to such date) shall be deducted from the
 9 authorization in this section for such year. Sixty million
 10 dollars of the authorization for title I of the Economic Op-
 11 portunity Act of 1964 for the fiscal year ending June 30,
 12 1966, as contained in section 131 of such Act, shall be only
 13 for the purpose of part C of such title. No provision in the
 14 Economic Opportunity Act of 1964 which authorizes the
 15 appropriation of funds to carry out that Act shall apply to
 16 such part C after June 30, 1966.

17 *PART D—AMENDMENTS TO NATIONAL DEFENSE*

18 *EDUCATION ACT OF 1958*

19 *DEFINITION OF INSTITUTION OF HIGHER EDUCATION*

20 *SEC. 461. Section 103(b) of the National Defense*
 21 *Education Act of 1958 is amended to read as follows:*

22 “(b) The term ‘institution of higher education’ means
 23 an educational institution in any State which (1) admits as
 24 regular students only persons having a certificate of gradua-
 25 tion from a school providing secondary education, or the

1 recognized equivalent of such certificate, (2) is legally au-
2 thorized within such State to provide a program of educa-
3 tion beyond secondary education, (3) provides an educa-
4 tional program for which it awards a bachelor's degree or
5 provides not less than a two-year program which is accept-
6 able for full credit toward such a degree, (4) is a public or
7 other nonprofit institution, and (5) is accredited by a
8 nationally recognized accrediting agency or association ap-
9 proved by the Commissioner for this purpose or, if not so
10 accredited, (A) is an institution with respect to which the
11 Commissioner has determined that there is satisfactory assur-
12 ance, considering the resources available to the institution,
13 the period of time, if any, during which it has operated, the
14 effort it is making to meet accreditation standards, and the
15 purpose for which this determination is being made, that the
16 institution will meet the accreditation standards of such an
17 agency or association within a reasonable time, or (B) is an
18 institution whose credits are accepted on transfer by not less
19 than three institutions which are so accredited, for credit
20 on the same basis as if transferred from an institution so
21 accredited. For purposes of title II, such term includes any
22 school of nursing as defined in subsection (1) of this section,
23 and also includes any school which provides not less than
24 a one-year program of training to prepare students for gain-
25 ful employment in a recognized occupation and which meets

1 the provisions of clauses (1), (2), (4), and (5). If the
2 Commissioner determines that a particular category of such
3 schools does not meet the requirements of clause (5) be-
4 cause there is no nationally recognized accrediting agency
5 or association qualified to accredit schools in such category,
6 he shall, pending the establishment of such an accrediting
7 agency or association, appoint an advisory committee, com-
8 posed of persons specially qualified to evaluate training
9 provided by schools in such category, which shall (i) pre-
10 scribe the standards of content, scope, and quality which
11 must be met in order to qualify schools in such category to
12 participate in the student loan program under title II, and
13 (ii) determine whether particular schools not meeting the
14 requirements of clause (5) meet those standards. For pur-
15 poses of this subsection, the Commissioner shall publish a
16 list of nationally recognized accrediting agencies or associ-
17 ations which he determines to be reliable authority as to the
18 quality of training offered.”

19 CONDITIONS OF AGREEMENTS; ADMINISTRATIVE COSTS

20 SEC. 462. Clause (3) of section 204 of the National
21 Defense Education Act of 1958 is amended to read as
22 follows:

23 “(3) provide that such student loan fund shall be
24 used only for (A) loans to students in accordance with
25 such agreement, (B) capital distributions as provided in

1 *this title, (C) routine expenses incurred by the institu-*
 2 *tion in administering the student loan fund, except that*
 3 *the amount used for these expenses by an institution in*
 4 *any fiscal year may not exceed either (i) one-half of*
 5 *such expenses as estimated for that year by the Commis-*
 6 *sioner with the advice of an advisory committee which*
 7 *the Commissioner is hereby authorized to appoint on an*
 8 *annual or such other basis as he may deem appropriate,*
 9 *or (ii) 1 per centum of the aggregate of the outstanding*
 10 *loans made from that fund as of the close of that year,*
 11 *whichever is the lesser, and (D) costs of litigation, and*
 12 *other collection costs agreed to by the Commissioner,*
 13 *arising in connection with the collection of any loan*
 14 *from the fund, interest on such loan, or charge assessed*
 15 *with respect to that loan pursuant to section 205(c);”.*

16 *TECHNICAL AMENDMENT FOR PART-TIME STUDENTS*

17 *SEC. 463. (a) The portion of section 205(b)(2) of the*
 18 *National Defense Education Act of 1958 which precedes*
 19 *clause (A)(ii) thereof is amended to read as follows:*

20 *“(2) such a loan shall be evidenced by a note or*
 21 *other written agreement which provides for repayment of*
 22 *the principal amount, together with interest thereon, in*
 23 *equal (or, if the borrower so requests, in graduated*
 24 *periodic installments determined in accordance with such*

schedules as may be approved by the Commissioner) quarterly, bimonthly, or monthly installments (at the option of the institution) over a period beginning nine months after the date on which the borrower ceases to carry, at an institution of higher education or at a comparable institution outside the States approved for this purpose by the Commissioner, at least one-half the normal full-time academic workload as determined by that institution, and ending ten years and nine months after such date, except that (A) interest shall not accrue on any such loan, and installments need not be paid during any period (i) during which the borrower is carrying, at an institution of higher education or at a comparable institution outside the States approved for this purpose by the Commissioner, at least one-half the normal full-time academic workload as determined by the institution.”.

(b) Clause (D) of such section 205(b)(2) is amended by striking out “periodic”, and by striking out “part-time” and inserting in lieu thereof “less than half-time”.

(c) The amendments made by this section shall apply to a loan outstanding on the date of enactment of this Act only with the consent of the borrower and the institution which made the loan.

1 *MINIMUM RATE OF REPAYMENT*

2 *SEC. 464. (a) Section 205(b)(2) of the National De-*
3 *fense Education Act of 1958 is further amended by striking*
4 *out “and” before “(E)” and by inserting at the end thereof*
5 *before the semicolon “, and (F) the institution may provide,*
6 *in accordance with regulations of the Commissioner, that*
7 *during the repayment period of the loan payments of prin-*
8 *cipal and interest by the borrower with respect to all the out-*
9 *standing loans made to him from loan funds established pur-*
10 *suant to this title shall be at a rate equal to not less than \$15*
11 *per month”.*

12 *(b) The amendment made by this section shall be appli-*
13 *cable only with respect to loans made after the date of enact-*
14 *ment of this Act.*

15 *CANCELLATION OF LOANS FOR TEACHERS*

16 *SEC. 465. (a) Section 205(b)(3) of the National De-*
17 *fense Education Act of 1958 is amended—*

18 *(1) by inserting “total” before “amount” and by*
19 *striking out “, which was unpaid on the first day of such*
20 *service”;*

21 *(2) by inserting “or its equivalent (as determined*
22 *under regulations of the Commissioner)” after “aca-*
23 *demic year”;* and

24 *(3) by inserting before the semicolon at the end*
25 *thereof a comma and the following: “except that (A)*

1 *such rate shall be 15 per centum for each complete*
2 *academic year or its equivalent (as determined under*
3 *regulations of the Commissioner) of service as a full-time*
4 *teacher in a public or other nonprofit elementary or*
5 *secondary school which is in the school district of a local*
6 *educational agency which is eligible in such year for as-*
7 *sistance pursuant to title II of Public Law 874, Eighty-*
8 *first Congress, as amended, and which for purposes of*
9 *this clause and for that year has been determined by the*
10 *Commissioner, pursuant to regulations and after con-*
11 *sultation with the State educational agency of the State in*
12 *which the school is located, to be a school in which there is*
13 *a high concentration of students from low-income fam-*
14 *ilies, except that the Commissioner shall not make such*
15 *determination with respect to more than 25 per centum of*
16 *the total of the public and other nonprofit elementary and*
17 *secondary schools in any one State for any one year,*
18 *and (B) for the purposes of any cancellation pursuant*
19 *to clause (A), an additional 50 per centum of any such*
20 *loan (plus interest) may be cancelled”.*

21 *(b) The amendments made by clauses (1) and (3) of*
22 *subsection (a) shall apply with respect to service performed*
23 *during academic years beginning after the date of enactment*
24 *of this Act, whether the loan was made before or after such*
25 *enactment. The amendment made by clause (2) of subsection*

1 (a) shall apply with respect to service performed during
 2 academic years beginning after the enactment of the National
 3 Defense Education Act Amendments, 1964, Public Law
 4 88-665, whether or not the loan was made before or after
 5 such enactment.

6 CHARGES

7 SEC. 466. (a) Section 205 of the National Defense
 8 Education Act of 1958 is further amended by redesignating
 9 subsection (c) as subsection (d) and by inserting after sub-
 10 section (b) the following new subsection:

11 “(c) Pursuant to regulations of the Commissioner, an
 12 institution may assess a charge with respect to a loan from the
 13 loan fund established by the institution pursuant to this title
 14 for failure of the borrower to pay all or any part of an in-
 15 stallment when it is due and, in the case of a borrower who is
 16 entitled to deferment benefits under section 205(b)(2) or
 17 cancellation benefits under section 205(b)(3), for any failure
 18 to file timely and satisfactory evidence of such entitlement.
 19 The amount of any such charge may not exceed—

20 “(1) in the case of a loan which is repayable in
 21 monthly installments, \$1 for the first month or part of a
 22 month by which such installment or evidence is late
 23 and \$2 for each such month or part of a month there-
 24 after; and

25 “(2) in the case of a loan which has a bimonthly

1 or quarterly repayment interval, \$3 and \$6, respec-
 2 tively, for each such interval or part thereof by which
 3 such installment or evidence is late.

4 The institution may elect to add the amount of any such
 5 charge to the principal amount of the loan as of the first day
 6 after the day on which such installment or evidence was due,
 7 or to make the amount of the charge payable to the institu-
 8 tion not later than the due date of the next installment after
 9 receipt by the borrower of notice of the assessment of the
 10 charge.”

11 (b) Clause (2) of section 204 of such Act is amended
 12 by striking out “and (D)” and inserting in lieu thereof “(D),
 13 charges collected pursuant to section 205(c), and (E)”.

14 (c) The amendment made by subsection (a) shall be ap-
 15 plicable only with respect to loans made after the date of
 16 enactment of this Act.

17 ECONOMICS, CIVICS, AND INDUSTRIAL ARTS

18 SEC. 467. (a) (1) Clauses (1) and (5) of section 303
 19 (a) of the National Defense Education Act of 1958 are
 20 each amended by inserting “economics,” after “geography,”.

21 (2) Section 301 of such Act is amended by striking out
 22 “and \$90,000,000 for the fiscal year ending June 30, 1965,
 23 and for each of the three succeeding fiscal years” and insert-
 24 ing in lieu thereof “\$90,000,000 for the fiscal year ending
 25 June 30, 1965, and \$100,000,000 for the fiscal year ending

1 *June 30, 1966, and for each of the two succeeding fiscal*
 2 *years”.*

3 *(b) Section 1101 of such Act is amended—*

4 *(1) by striking out “each of the three succeeding*
 5 *fiscal years” and inserting in lieu thereof “\$50,000,000*
 6 *for the fiscal year ending June 30, 1966, and for each*
 7 *of the two succeeding fiscal years”; and*

8 *(2) by inserting “economics, civics, industrial arts,”*
 9 *after “geography,”.*

10 *TITLE V—TEACHER PROGRAMS*

11 *PART A—GENERAL PROVISIONS*

12 *ADVISORY COUNCIL ON TEACHER PREPARATION*

13 *SEC. 501. (a) The Commissioner shall establish in*
 14 *the Office of Education an Advisory Council on Teacher*
 15 *Preparation for the purpose of reviewing the administration*
 16 *and operation of the programs carried out under this title*
 17 *and of all other Federal programs for complementary pur-*
 18 *poses. This review shall pay particular attention to the*
 19 *effectiveness of these programs in attracting, preparing, and*
 20 *retaining highly qualified elementary and secondary school*
 21 *teachers, and it shall include recommendations for the im-*
 22 *provement of these programs. The Council shall consist of*
 23 *the Commissioner, who shall be Chairman, and twelve mem-*
 24 *bers appointed for staggered terms and without regard to*

1 the civil service laws, by the Commissioner with the ap-
2 proval of the Secretary. Such twelve members shall include
3 persons knowledgeable with respect to teacher preparation
4 and the needs of urban and rural schools, and representatives
5 of the general public.

6 (b) Members of such Advisory Council who are not
7 regular full-time employees of the United States shall, while
8 attending meetings or conferences of such Council or other-
9 wise engaged on business of such Council, be entitled to re-
10 ceive compensation at a rate fixed by the Secretary, but not
11 exceeding \$100 per diem, including traveltime, and, while
12 so serving away from their homes or regular places of busi-
13 ness, they may be allowed travel expenses, including per
14 diem in lieu of subsistence, as authorized by section 5 of the
15 Administrative Expenses Act of 1946 (5 U.S.C. 73b-2) for
16 persons in the Government service employed intermittently.

17 (c) The Council may appoint an Executive Secretary
18 and such other employees as the Council deems necessary
19 to carry out its functions under this part.

20 LIMITATION

21 SEC. 502. Nothing contained in this title shall be con-
22 strued to authorize the making of any payment under this
23 title for religious worship or instruction.

1 *PART B—NATIONAL TEACHER CORPS*2 *STATEMENT OF PURPOSE AND AUTHORIZATION OF*
3 *APPROPRIATIONS*

4 *SEC. 511. (a) The purpose of this part is to strengthen*
5 *the educational opportunities available to children in areas*
6 *having concentrations of low-income families and to encour-*
7 *age colleges and universities to broaden their programs of*
8 *teacher preparation by—*

9 *(1) attracting and training qualified teachers who*
10 *will be made available to local educational agencies for*
11 *teaching in such areas; and*

12 *(2) attracting and training inexperienced teacher-*
13 *interns who will be made available for teaching and*
14 *inservice training to local educational agencies in such*
15 *areas in teams led by an experienced teacher.*

16 *(b) For the purpose of carrying out this part, there*
17 *are authorized to be appropriated \$36,100,000 for the fiscal*
18 *year ending June 30, 1966, and \$64,715,000 for the fiscal*
19 *year ending June 30, 1967, and for each of the four suc-*
20 *ceeding fiscal years.*

21 *ESTABLISHMENT OF NATIONAL TEACHER CORPS*

22 *SEC. 512. In order to carry out the purposes of this*
23 *part, there is hereby established in the Office of Education*
24 *a National Teacher Corps (hereinafter referred to as the*
25 *“Teacher Corps”). The Teacher Corps shall be headed*

1 by a Director who shall be compensated at the rate pre-
 2 scribed for grade 17 of the General Schedule of the Clas-
 3 sification Act of 1949, and a Deputy Director who shall be
 4 compensated at the rate prescribed for grade 16 of such
 5 General Schedule. The Director and the Deputy Director
 6 shall perform such duties as are delegated to them by the
 7 Commissioner.

8 TEACHER CORPS PROGRAM

9 SEC. 513. (a) For the purpose of carrying out this
 10 part, the Commissioner is authorized to—

11 (1) recruit, select, and enroll experienced teachers,
 12 and inexperienced teacher-interns who have a bachelor's
 13 degree or its equivalent, in the Teacher Corps for periods
 14 of up to two years;

15 (2) enter into arrangements, through grants or
 16 contracts, with institutions of higher education or State
 17 or local educational agencies to provide members of the
 18 Teacher Corps with such training as the Commissioner
 19 may deem appropriate to carry out the purposes of this
 20 part, including not more than three months of training
 21 for members before they undertake their teaching duties
 22 under this part;

23 (3) enter into arrangements (including the pay-
 24 ment of the cost of such arrangements) with local educa-
 25 tional agencies, after consultation in appropriate cases

1 with State educational agencies and institutions of
2 higher education, to furnish to local educational agencies,
3 for service during regular or summer sessions, or both,
4 in the schools of such agencies in areas having concen-
5 trations of children from low-income families, (A) ex-
6 perienced teachers, and (B) teaching teams, each of
7 which shall consist of an experienced teacher and a num-
8 ber of teacher-interns who, in addition to teaching duties,
9 shall be afforded time by the local educational agency
10 for a teacher-intern training program developed accord-
11 ing to criteria established by the Commissioner and car-
12 ried out under the guidance of the experienced teacher in
13 cooperation with an institution of higher education;

14 (4) pay to local educational agencies the amount
15 of the compensation which such agencies pay to or on
16 behalf of members of the Teacher Corps assigned to
17 them pursuant to arrangements made pursuant to the
18 preceding clause; and

19 (5) employ experts and consultants or organiza-
20 tions thereof to assist the Commissioner in carrying out
21 his functions under this part, as authorized by section 15
22 of the Administrative Expenses Act of 1946 (5 U.S.C.
23 55a), and to compensate such individuals while so em-
24 ployed at rates not in excess of \$100 per diem, including
25 traveltime, and to allow them, while away from their

homes or regular places of business, travel expenses (including per diem in lieu of subsistence) as authorized by section 5 of such Act (5 U.S.C. 73b-2) for persons in the Government service employed intermittently.

(b) Arrangements with institutions of higher education to provide training for teacher-interns while teaching in schools for local educational agencies under the provisions of this part shall provide, wherever possible, for training leading to a graduate degree.

(c) Whenever the Commissioner determines that the demand for the services of experienced teachers or of teaching teams furnished pursuant to clause (3) of subsection (a) exceeds the number of experienced teachers or teaching teams available from the Teacher Corps, the Commissioner shall, to the extent practicable, allocate experienced teachers or teaching teams, as the case may be from the Teacher Corps among the States in proportion to the number of children in each State counted for making basic grants under title II of Public Law 874, Eighty-first Congress, as amended, for the fiscal year for which the allocation is made.

(d) A local educational agency may utilize members of the Teacher Corps assigned to it in providing, in the manner described in section 205(a)(2) of Public Law 874, Eighty-first Congress, as amended, educational services in

1 *which children enrolled in private elementary and secondary*
2 *schools can participate.*

3 *COMPENSATION*

4 *SEC. 514. (a) An arrangement made with a local*
5 *educational agency pursuant to paragraph (3) of section*
6 *513(a) shall provide for compensation by such agency of*
7 *Teacher Corps members during the period of their assign-*
8 *ment to it at the following rates:*

9 *(1) an experienced teacher who is not leading a*
10 *teaching team shall be compensated at a rate which*
11 *is equal to the rate paid by such agency for a teacher*
12 *with similar training and experience who has been*
13 *assigned similar teaching duties;*

14 *(2) an experienced teacher who is leading a teach-*
15 *ing team shall be compensated at a rate agreed to by*
16 *such agency and the Commissioner; and*

17 *(3) a teacher-intern shall be compensated at a*
18 *rate which is equal to the lowest rate paid by such*
19 *agency for teaching full time in the school system and*
20 *grade to which the intern is assigned.*

21 *(b) For any period of training under this part the*
22 *Commissioner shall pay to members of the Teacher Corps*
23 *such stipends (including allowances for subsistence and*
24 *other expenses for such members and their dependents) as*

1 he may determine to be consistent with prevailing practices
2 under comparable federally supported training programs.

3 (c) The Commissioner shall pay the necessary travel
4 expenses of members of the Teacher Corps and their depend-
5 ents and necessary expenses for the transportation of the
6 household goods and personal effects of such members and
7 their dependents, and such other necessary expenses of mem-
8 bers as are directly related to their service in the Corps,
9 including readjustment allowances proportionate to service.

10 (d) The Commissioner is authorized to make such
11 arrangements as may be possible, including the payment of
12 any costs incident thereto, to protect the tenure, retirement
13 rights, participation in a medical insurance program, and
14 such other similar employee benefits as the Commissioner
15 deems appropriate, of a member of the Teacher Corps who
16 participates in any program under this part and who in-
17 dicates his intention to return to the local educational agency
18 or institution of higher education by which he was employed
19 immediately prior to his service under this part.

20 APPLICATION OF PROVISIONS OF FEDERAL LAW

21 SEC. 515. (a) Except as otherwise specifically pro-
22 vided in this section, a member of the Teacher Corps shall be
23 deemed not to be a Federal employee and shall not be subject
24 to the provisions of laws relating to Federal employment, in-

1 cluding those relating to hours of work, rates of compensa-
2 tion, leave, unemployment compensation, and Federal em-
3 ployee benefits.

4 (b)(1) Such members shall, for the purposes of the
5 administration of the Federal Employees' Compensation
6 Act (5 U.S.C. 751 et seq.), be deemed to be civil employees
7 of the United States within the meaning of the term "em-
8 ployee" as defined in section 40 of such Act (5 U.S.C. 790)
9 and the provisions thereof shall apply except as hereinafter
10 provided.

11 (2) For purposes of this subsection:

12 (A) the term "performance of duty" in the Federal
13 Employees' Compensation Act shall not include any act
14 of a member of the Teacher Corps—

15 (i) while on authorized leave; or

16 (ii) while absent from his assigned post of
17 duty, except while participating in an activity au-
18 thorized by or under the direction or supervision of
19 the Commissioner; and

20 (B) in computing compensation benefits for dis-
21 ability or death under the Federal Employees' Compens-
22 ation Act, the monthly pay of a member of the Teacher
23 Corps shall be deemed to be his actual pay or that

1 received under the entrance salary for grade 6 of the
2 General Schedule of the Classification Act of 1949,
3 whichever is greater.

4 (c) Such members shall be deemed to be employees of
5 the Government for the purposes of the Federal tort claims
6 provisions of title 28, United States Code.

7 LOCAL CONTROL PRESERVED

8 SEC. 516. Members of the Teacher Corps shall be under
9 the direct supervision of the appropriate officials of the local
10 educational agencies to which they are assigned. Except as
11 otherwise provided in clause (3) of section 513(a), such
12 agencies shall retain the authority to—

13 (1) assign such members within their systems;

14 (2) make transfers within their systems;

15 (3) determine the subject matter to be taught;

16 (4) determine the terms and continuance of the
17 assignment of such members within their systems.

18 MAINTENANCE OF EFFORT

19 SEC. 517. No member of the Teacher Corps shall be
20 furnished to any local educational agency under the pro-
21 visions of this part if such agency will use such member
22 to replace any teacher who is or would otherwise be em-
23 ployed by such agency.

PART C—FELLOWSHIPS FOR TEACHERS

STATEMENT OF PURPOSE

SEC. 521. It is the purpose of this part to provide opportunities for advanced training, giving major emphasis to preparation in high quality substantive courses, to teachers in elementary, secondary, and postsecondary vocational schools and personnel serving in fields ancillary to teaching in such schools.

FELLOWSHIPS AUTHORIZED

SEC. 522. (a) The Commissioner is authorized to award under the provisions of this part not to exceed four thousand five hundred fellowships for the fiscal year ending June 30, 1966, ten thousand fellowships for the fiscal year ending June 30, 1967, and fifteen thousand fellowships for the fiscal year ending June 30, 1968, and for each of the two succeeding fiscal years. Fellowships awarded under the provisions of this part shall be for graduate study (leading to a masters or equivalent degree in the field of education) for the purpose of teaching in elementary, secondary, or postsecondary vocational schools, or for graduate study (leading to a similar degree) in the subject matter which the person awarded such fellowship is or will be teaching in such schools. Such fellowships may also be awarded in fields ancillary to elementary, secondary, and postsecondary vocational education such as library science, educational media,

1 school social work, guidance and counseling, special educa-
2 tion for handicapped children, vocational education and other
3 fields having the purpose of assisting or improving elemen-
4 tary or secondary, or postsecondary vocational education.
5 Such fellowships shall be awarded for such periods as the
6 Commissioner may determine but not to exceed two academic
7 years.

8 (b) In addition to the number of fellowships author-
9 ized to be awarded by subsection (a) of this section, the
10 Commissioner is authorized to award fellowships equal to the
11 number previously awarded during any fiscal year under
12 this part but vacated prior to the end of the period for which
13 they were awarded; except that each fellowship awarded
14 under this subsection shall be for such period of study, not
15 in excess of the remainder of the period for which the fellow-
16 ship which it replaces was awarded, as the Commissioner
17 may determine.

18 FELLOWSHIPS FOR RECENT GRADUATES

19 SEC. 523. Forty per centum of the number of fellowships
20 under the provisions of this part for any fiscal year shall
21 be awarded by the Commissioner to persons recommended to
22 the Commissioner for such fellowships by institutions of
23 higher education. An institution of higher education may
24 for the purposes of this section recommend any individual

1 *who has received a bachelor's degree with high standing*
2 *from such institution, except that such recommendation shall*
3 *be made not later than six months after the awarding of such*
4 *degree.*

5 *FELLOWSHIPS FOR EXPERIENCED TEACHERS*

6 *SEC. 524. The remaining 60 per centum of the number*
7 *of fellowships awarded under the provisions of this part for*
8 *any fiscal year shall be awarded by the Commissioner to*
9 *persons with at least five academic years of professional*
10 *experience serving in an elementary, secondary, or postsec-*
11 *ondary vocational school, who are recommended to the Com-*
12 *missioner for such a fellowship by a local educational agency*
13 *or a private school authority. Such an agency or authority*
14 *may, for the purposes of this section, recommend any such*
15 *person who is serving in its elementary, secondary, or post-*
16 *secondary vocational school or schools upon condition that*
17 *it agree to rehire such individual upon his completing the*
18 *course of study under such fellowship.*

19 *FELLOWSHIPS IN ANCILLARY FIELDS*

20 *SEC. 525. Not less than 20 per centum nor more than*
21 *25 per centum of the fellowships awarded under sections*
22 *523 and 524 shall be awarded to persons for graduate work*
23 *in fields ancillary to elementary, secondary, or postsecondary*
24 *vocational education, as defined in section 522.*

1 *FELLOWSHIPS FOR DISPLACED EXPERIENCED TEACHERS*

2 *SEC. 526. Not to exceed 20 per centum of the fellow-*
3 *ships awarded under section 524 may be awarded to persons*
4 *who have been displaced in their employment as professional*
5 *employees of local educational agencies as a result of changes*
6 *of school populations brought about by the enforcement of the*
7 *Civil Rights Act of 1964, or the carrying out of the purpose*
8 *of such Act. Fellowships pursuant to this section shall be*
9 *awarded by the Commissioner without regard to the require-*
10 *ments of section 524 with respect to recommendations and*
11 *agreements to rehire.*

12 *DISTRIBUTION OF FELLOWSHIPS*

13 *SEC. 527. In awarding fellowships under the provisions*
14 *of this part the Commissioner shall endeavor to provide*
15 *an equitable distribution of such fellowships throughout the*
16 *Nation, except that to the extent he deems proper in the*
17 *national interest, the Commissioner shall give preference*
18 *in such awards to persons already serving, or who intend*
19 *to serve, in elementary or secondary schools in low-income*
20 *rural or metropolitan areas.*

21 *STIPENDS*

22 *SEC. 528. (a) Each person awarded a fellowship under*
23 *the provisions of section 523 shall receive a stipend of*

1 \$2,000 for the first academic year of study and \$2,200 for
2 the second such year. Each person awarded a fellowship
3 under the provisions of section 524 shall receive a stipend
4 of \$4,800 for each academic year of study. In both cases
5 an additional amount of \$400 for each such academic year
6 of study shall be paid to each such person on account of each
7 of his dependents.

8 (b) In addition to the amount paid to persons pur-
9 suant to subsection (a) there shall be paid to the institution
10 of higher education at which each such person is pursuing his
11 course of study, \$3,000 per academic year. Amounts paid
12 pursuant to this subsection shall be less any amount charged
13 any such person for tuition.

14 (c) The Commissioner shall reimburse any person
15 awarded a fellowship pursuant to this part for actual and
16 necessary traveling expenses of such person and his depend-
17 ents from his ordinary place of residence to the institution of
18 higher education where he will pursue his studies under such
19 fellowship, and to return to such residence.

20 **LIMITATION**

21 *SEC. 529.* No fellowship shall be awarded under this
22 part for study at a school or department of divinity. For the
23 purposes of this section, the term "school or department of
24 divinity" means an institution or department or branch of an
25 institution, whose program is specifically for the education

1 of students to prepare them to become ministers of religion
2 or to enter upon some other religious vocation or to prepare
3 them to teach theological subjects.

4 FELLOWSHIP CONDITIONS

5 SEC. 530. A person awarded a fellowship under the
6 provisions of this part shall continue to receive the payments
7 provided in section 528(a) only during such periods as the
8 Commissioner finds that he is maintaining satisfactory pro-
9 ficiency in, and devoting essentially full time to, study or
10 research in the field in which such fellowship was awarded,
11 in an institution of higher education, and is not engaging in
12 gainful employment other than part-time employment by
13 such institution in teaching, research, or similar activities,
14 approved by the Commissioner.

15 APPROPRIATIONS

16 SEC. 531. There are authorized to be appropriated such
17 amounts as may be necessary to carry out the provisions of
18 this part.

19 PART D—GRANTS TO INSTITUTIONS OF HIGHER EDUCA- 20 TION FOR IMPROVED TEACHER EDUCATION

21 APPROPRIATIONS AUTHORIZED

22 SEC. 541. There are authorized to be appropriated
23 \$5,000,000 for the fiscal year ending June 30, 1966, and
24 for each of the four succeeding fiscal years, for the purpose
25 of carrying out this part.

1 GRANTS FOR IMPROVED TEACHER EDUCATION

2 SEC. 542. (a) For the purpose of obtaining an appro-
3 priate geographical distribution of high-quality programs for
4 the training of personnel for elementary, secondary, and
5 postsecondary vocational education, the Commissioner is
6 authorized, on such terms and conditions as he may deem
7 appropriate, to make grants to and contracts with institu-
8 tions of higher education to pay part of the cost of devel-
9 oping or strengthening graduate programs which meet the
10 requirements of subsection (b) and of developing or
11 strengthening high-quality undergraduate programs for the
12 training of such personnel. The Commissioner shall set forth
13 in regulations the standards and priorities which will be
14 utilized in approving such grants and contracts. The Com-
15 missioner may employ experts and consultants, as authorized
16 by section 15 of the Administrative Expenses Act of 1946
17 (5 U.S.C. 55a), to advise him with respect to the making of
18 grants and contracts under this part and in carrying out the
19 provisions of part C. Experts and consultants employed
20 pursuant to this subsection may be compensated while so
21 employed at rates not in excess of \$100 per diem, includ-
22 ing travel time, and may be allowed, while away from their

1 homes or regular places of business, travel expenses (in-
2 cluding per diem in lieu of subsistence) as authorized by
3 section 5 of such Act (5 U.S.C. 73b-2) for persons in the
4 Government service employed intermittently.

5 (b) The Commissioner shall approve a graduate pro-
6 gram of an institution of higher education for assistance
7 under this part only upon application by the institution and
8 only upon his finding—

9 (1) that such program will substantially further
10 the objective of improving the quality of education of
11 persons who are pursuing or intend to pursue a career
12 in elementary, secondary, or postsecondary vocational
13 education,

14 (2) that such program gives major emphasis to
15 high-quality substantive courses,

16 (3) that such program is of high quality and
17 either is in effect or will be attainable as a result of
18 assistance received under this part, and

19 (4) that only persons who demonstrate a serious
20 intent to pursue or to continue to pursue a career in
21 elementary, secondary, or postsecondary vocational edu-
22 cation will be accepted for study in the program.

1 *TITLE VI—FINANCIAL ASSISTANCE FOR THE*
2 *IMPROVEMENT OF UNDERGRADUATE IN-*
3 *STRUCTION*

4 *PART A—EQUIPMENT*

5 *STATEMENT OF PURPOSE AND AUTHORIZATION OF*
6 *APPROPRIATIONS*

7 *SEC. 601. (a) The purpose of this part is to improve*
8 *the quality of classroom instruction in selected subject areas*
9 *in institutions of higher education.*

10 *(b) There are hereby authorized to be appropriated*
11 *\$35,000,000 for the fiscal year ending June 30, 1966,*
12 *\$50,000,000 for the fiscal year ending June 30, 1967, and*
13 *\$60,000,000 for the fiscal year ending June 30, 1968, and*
14 *for each of the two succeeding fiscal years, to enable the Com-*
15 *missioner to make grants to institutions of higher education*
16 *pursuant to this part for the acquisition of equipment and*
17 *for minor remodeling described in section 603(2)(A).*

18 *(c) There are also authorized to be appropriated*
19 *\$2,500,000 for the fiscal year ending June 30, 1966,*
20 *and \$10,000,000 for the fiscal year ending June 30, 1967,*
21 *and for each of the three succeeding fiscal years, to enable the*
22 *Commissioner to make grants to institutions of higher educa-*
23 *tion pursuant to this part for the acquisition of television*
24 *equipment and for minor remodeling described in section*
25 *603(2)(B).*

1 (d) There is also authorized to be appropriated a sum
2 not exceeding \$1,000,000 for the fiscal year ending June 30,
3 1966, and for each of the four succeeding fiscal years, to
4 enable the Commissioner to make grants in such amounts as
5 he may consider necessary for the proper and efficient admin-
6 istration of the State plans approved under this part includ-
7 ing expenses which he determines are necessary for the prepa-
8 ration of such plans.

9 ALLOTMENTS TO STATES

10 SEC. 602. (a)(1) Of the funds appropriated pursuant
11 to subsections (b) and (c) of section 601 for any fiscal
12 year one-half shall be allotted by the Commissioner among
13 the States so that the allotment to each State will be an
14 amount which bears the same ratio to such one-half as
15 the number of students enrolled in institutions of higher
16 education in such State bears to the total number of
17 students enrolled in such institutions in all the States;
18 and the remaining one-half shall be allotted by him among
19 the States in accordance with paragraph (2) of this
20 subsection. For the purposes of this subsection, (A) the
21 number of students enrolled in institutions of higher educa-
22 tion shall be deemed to be equal to the sum of (i) the num-
23 ber of full-time students and (ii) the full-time equivalent of
24 the number of part-time students as determined by the Com-
25 missioner in accordance with regulations; and (B) deter-

1 minations as to enrollment shall be made by the Commis-
2 sioner on the basis of data for the most recent year for which
3 satisfactory data with respect to such enrollment are avail-
4 able to him.

5 (2) For the purposes of this paragraph the Commis-
6 sioner shall allot to each State for each fiscal year an amount
7 which bears the same ratio to the funds being allotted pur-
8 suant to this paragraph as the product of—

9 (A) the number of students enrolled in institutions
10 of higher education in such State, and

11 (B) the State's allotment ratio
12 bears to the sum of the corresponding products for all the
13 States. For the purposes of this paragraph the allotment
14 ratio for any State shall be 1.00 less the product of (i) 0.50
15 and (ii) the quotient obtained by dividing the income per
16 person for the State by the income per person for all the
17 States (not including Puerto Rico, the Virgin Islands, Amer-
18 ican Samoa, and Guam), except that the allotment ratio
19 shall in no case be less than $0.33\frac{1}{3}$ or more than $0.66\frac{2}{3}$, and
20 the allotment ratio for Puerto Rico, the Virgin Islands,
21 American Samoa, and Guam shall be $0.66\frac{2}{3}$. The allotment
22 ratios shall be promulgated by the Commissioner as soon as
23 possible after enactment of this Act, and annually thereafter,
24 on the basis of the average of the incomes per person of the
25 States and of all the States for the three most recent consecu-

1 *tive calendar years for which satisfactory data are available*
2 *from the Department of Commerce.*

3 **(b)(1)** *A State's allotment under subsection (a)*
4 *from funds appropriated pursuant to section 601(b) shall*
5 *be available in accordance with the provisions of this part*
6 *for payment of the Federal share (as determined under*
7 *section 604) of the cost of equipment and minor remodeling*
8 *described in section 603(2)(A).*

9 **(2)** *A State's allotment under subsection (a) from*
10 *funds appropriated pursuant to section 601(c) shall be*
11 *available in accordance with the provisions of this part for*
12 *payment of the Federal share (as determined under section*
13 *604) of the cost of television equipment and minor remodel-*
14 *ing described in section 603(2)(B).*

15 **(c)** *Sums allotted to a State for the fiscal year ending*
16 *June 30, 1966, shall remain available for reservation as*
17 *provided in section 606 until the close of the next fiscal*
18 *year, in addition to the sums allotted to such State for such*
19 *next fiscal year. Sums allotted to a State for the fiscal*
20 *year ending June 30, 1967, or for any succeeding fiscal*
21 *year, which are not reserved as provided in section 606 by*
22 *the close of the fiscal year for which they are allotted, shall*
23 *be reallocated by the Commissioner, on the basis of such*
24 *factors as he determines to be equitable and reasonable,*
25 *among the States which, as determined by the Commissioner,*

1 are able to use without delay any amounts so reallocated.
 2 Amounts reallocated under this subsection shall be available
 3 for reservation until the close of the fiscal year next succeed-
 4 ing the fiscal year for which they were originally allotted.

5 STATE COMMISSIONS AND PLANS

6 SEC. 603. Any State desiring to participate in the pro-
 7 gram under this part shall designate for that purpose an
 8 existing State agency which is broadly representative of the
 9 public and of institutions of higher education in the State, or,
 10 if no such State agency exists, shall establish such a State
 11 agency, and submit to the Commissioner through the agency
 12 so designated or established (hereafter in this part referred
 13 to as the "State commission"), a State plan for such partici-
 14 pation. The Commissioner shall approve any such plan
 15 which—

16 (1) provides that it shall be administered by the
 17 State commission;

18 (2) sets forth, consistently with basic criteria pre-
 19 scribed by regulation pursuant to section 604, objective
 20 standards and methods (A) for determining the relative
 21 priorities of eligible projects for the acquisition of labora-
 22 tory and other special equipment (other than supplies
 23 consumed in use), including audiovisual materials and
 24 equipment for classrooms or audiovisual centers, and
 25 printed and published materials (other than textbooks)

1 *for classrooms or libraries, suitable for use in providing*
2 *education in science, mathematics, foreign languages,*
3 *history, geography, government, English, other human-*
4 *ities, the arts, or education at the undergraduate level*
5 *in institutions of higher education, and minor remodeling*
6 *of classroom or other space used for such materials or*
7 *equipment; (B) for determining relative priorities of*
8 *eligible projects for (i) the acquisition of television*
9 *equipment for closed-circuit direct instruction in such*
10 *fields in such institutions (including equipment for fixed-*
11 *service instructional television, as defined by the Federal*
12 *Communications Commission, but not including broad-*
13 *cast transmission equipment), (ii) the acquisition of*
14 *necessary instructional materials for use in such tele-*
15 *vision instruction, and (iii) minor remodeling necessary*
16 *for such television equipment; and (C) for determining*
17 *the Federal share of the cost of each such project;*

18 *(3) provides (A) for assigning priorities solely on*
19 *the basis of such criteria, standards, and methods to eli-*
20 *gible projects submitted to the State commission and*
21 *deemed by it to be otherwise approvable under the pro-*
22 *visions of this part; and (B) for approving and recom-*
23 *mending to the Commissioner, in the order of such*
24 *priority, applications covering such eligible projects,*
25 *and for certifying to the Commissioner the Federal share,*

determined by the State commission under the State plan, of the cost of the project involved;

(4) provides for affording to every applicant, which has submitted to the State commission a project, an opportunity for a fair hearing before the commission as to the priority assigned to such project or as to any other determination of the commission adversely affecting such applicant; and

(5) provides (A) for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the State commission under this part, and (B) for the making of such reports, in such form and containing such information, as may be reasonably necessary to enable the Commissioner to perform his functions under this part.

BASIC CRITERIA FOR DETERMINING PRIORITIES, FEDERAL SHARE, AND MAINTENANCE OF EFFORT

SEC. 604. (a) As soon as practicable after the enactment of this Act the Commissioner shall by regulation prescribe basic criteria to which the provisions of State plans setting forth standards and methods for determining relative priorities of eligible projects, and the application of such standards and methods to such projects under such plans, shall be subject. Such basic criteria (1) shall be such as

1 will best tend to achieve the objectives of this part while
2 leaving opportunity and flexibility for the development of
3 State plan standards and methods that will best accommo-
4 date the varied needs of institutions in the several States, and
5 (2) shall give special consideration to the financial need
6 of the institution. Subject to the foregoing requirements,
7 such regulations may establish additional and appropriate
8 basic criteria, including provision for considering the degree
9 to which applicant institutions are effectively utilizing exist-
10 ing facilities and equipment, provision for allowing State
11 plans to group or provide for grouping, in a reasonable
12 manner, facilities or institutions according to functional or
13 educational type for priority purposes, and, in view of the
14 national objectives of this Act, provision for considering
15 the degree to which the institution serves students from two
16 or more States or from outside the United States; and in no
17 event shall an institution's readiness to admit such out-of-
18 State students be considered as a priority factor adverse
19 to such institution.

20 (b) The Federal share for the purposes of this part
21 shall be 50 per centum of the cost of the project, except that
22 a State commission may increase such share to not to exceed
23 80 per centum of such cost in the case of any institution
24 proving insufficient resources to participate in the program
25 under this part and inability to acquire such resources. An

1 institution of higher education shall be eligible for a grant
 2 for a project pursuant to this part in any fiscal year only if
 3 such institution will expend during such year for the same
 4 purposes as, but not pursuant to, this part an amount at least
 5 equal to the amount expended by such institution for such
 6 purposes during the previous fiscal year. The Commis-
 7 sioner shall establish basic criteria for making determinations
 8 under this subsection.

9 APPLICATIONS FOR GRANTS AND CONDITIONS FOR
 10 APPROVAL

11 SEC. 605. (a) Institutions of higher education which
 12 desire to obtain grants under this part shall submit applica-
 13 tions therefor at such time or times and in such manner as
 14 may be prescribed by the Commissioner, and such applica-
 15 tions shall contain such information as may be required by or
 16 pursuant to regulation for the purpose of enabling the Com-
 17 missioner to make the determinations required to be made
 18 by him under this part.

19 (b) The Commissioner shall approve an application
 20 covering a project under this part and meeting the require-
 21 ments prescribed pursuant to subsection (a) if—

22 (1) the project has been approved and recom-
 23 mended by the appropriate State commission;

24 (2) the State commission has certified to the
 25 Commissioner, in accordance with the State plan, the

1 *Federal share of the cost of the project, and sufficient*
2 *funds to pay such Federal share are available from the*
3 *applicable allotment of the State (including any appli-*
4 *cable reallocation to the State);*

5 *(3) the project has, pursuant to the State plan,*
6 *been assigned a priority that is higher than that of all*
7 *other projects within such State (chargeable to the same*
8 *allotment) which meet all the requirements of this sec-*
9 *tion (other than this clause) and for which Federal*
10 *funds have not yet been reserved;*

11 *(4) the Commissioner determines that the project*
12 *will be undertaken in an economical manner and will not*
13 *be overly elaborate or extravagant; and*

14 *(5) the Commissioner determines that the appli-*
15 *cation contains or is supported by satisfactory assur-*
16 *ances—*

17 *(A) that Federal funds received by the appli-*
18 *cant will be used solely for defraying the cost of the*
19 *project covered by such application,*

20 *(B) that sufficient funds will be available to*
21 *meet the non-Federal portion of such cost and to*
22 *provide for the effective use of the equipment upon*
23 *completion, and*

24 *(C) that the institution will meet the mainte-*
25 *nance of effort requirement in section 604(b).*

1 (b) Amendments of applications shall, except as the
2 Commissioner may otherwise provide by or pursuant to
3 regulation, be subject to approval in the same manner as
4 original applications.

5 AMOUNT OF GRANT—PAYMENT

6 SEC. 606. Upon his approval of any application for a
7 grant under this part, the Commissioner shall reserve from
8 the applicable allotment (including any applicable reallot-
9 ment) available therefor, the amount of such grant, which
10 (subject to the limits of such allotment or reallotment) shall
11 be equal to the Federal share of the cost of the project cov-
12 ered by such application. The Commissioner shall pay such
13 reserved amount, in advance or by way of reimbursement,
14 and in such installments as he may determine. The Commis-
15 sioner's reservation of any amount under this section may be
16 amended by him, either upon approval of an amendment of
17 the application covering such project or upon revision of the
18 estimated cost of a project with respect to which such res-
19 ervation was made, and in the event of an upward revision of
20 such estimated cost approved by him he may reserve the
21 Federal share of the added cost only from the applicable
22 allotment (or reallotment) available at the time of such
23 approval.

ADMINISTRATION OF STATE PLANS

SEC. 607. (a) The Commissioner shall not finally disapprove any State plan submitted under this part, or any modification thereof, without first affording the State commission submitting the plan reasonable notice and opportunity for a hearing.

(b) Whenever the Commissioner, after reasonable notice and opportunity for hearing to the State commission administering a State plan approved under this part, finds—

(1) that the State plan has been so changed that it no longer complies with the provisions of section 603, or

(2) that in the administration of the plan there is a failure to comply substantially with any such provision,

the Commissioner shall notify such State commission that the State will not be regarded as eligible to participate in the program under this part until he is satisfied that there is no longer any such failure to comply.

JUDICIAL REVIEW

SEC. 608. (a) If any State is dissatisfied with the Commissioner's final action with respect to the approval of its State plan submitted under this part or with his final

1 action under section 607, such State may appeal to the
2 United States court of appeals for the circuit in which such
3 State is located. The summons and notice of appeal may
4 be served at any place in the United States. The Commis-
5 sioner shall forthwith certify and file in the court the tran-
6 script of the proceedings and the record on which he based
7 his action.

8 (b) The findings of fact by the Commissioner, if sup-
9 ported by substantial evidence, shall be conclusive; but the
10 court, for good cause shown, may remand the case to the
11 Commissioner to take further evidence, and the Commis-
12 sioner may thereupon make new or modified findings of
13 fact and may modify his previous action, and shall certify
14 to the court the transcript and record of the further pro-
15 ceedings. Such new or modified findings of fact shall like-
16 wise be conclusive if supported by substantial evidence.

17 (c) The court shall have jurisdiction to affirm the
18 action of the Commissioner or to set it aside, in whole or
19 in part. The judgment of the court shall be subject to
20 review by the Supreme Court of the United States upon
21 certiorari or certification as provided in title 28, United
22 States Code, section 1254.

23 *LIMITATION ON PAYMENTS*

24 SEC. 609. Nothing contained in this part shall be con-
25 strued to authorize the making of any payment under this

1 *part for any equipment or materials for religious worship*
 2 *or instruction.*

3 *PART B—FACULTY DEVELOPMENT PROGRAMS*

4 *INSTITUTES AUTHORIZED*

5 *SEC. 621. There are authorized to be appropriated*
 6 *\$5,000,000 for the fiscal year ending June 30, 1966, and for*
 7 *each of the four succeeding fiscal years, to enable the Com-*
 8 *missioner to arrange, through grants or contracts, with insti-*
 9 *tutions of higher education for the operation by them of*
 10 *short-term workshops or short-term or regular-session insti-*
 11 *tutes for individuals (1) who are engaged in, or preparing to*
 12 *engage in, the use of educational media equipment in teaching*
 13 *in institutions of higher education, or (2) who are, or are*
 14 *preparing to be, in institutions of higher education, specialists*
 15 *in educational media or librarians or other specialists using*
 16 *such media.*

17 *STIPENDS*

18 *SEC. 622. Each individual who attends an institute*
 19 *operated under the provisions of this part shall be eligible*
 20 *(after application therefor) to receive a stipend at the rate*
 21 *of \$75 per week for the period of his attendance at such*
 22 *institute and each such individual with one or more depend-*
 23 *ents shall receive an additional stipend at the rate of \$15 per*
 24 *week for each dependent. No stipends shall be paid for*
 25 *attendance at workshops.*

1 *TITLE VII—AMENDMENTS TO HIGHER EDU-*
2 *CATION FACILITIES ACT OF 1963*

3 *EXPANSION OF GRANT PURPOSES*

4 *SEC. 701. (a) Section 106 of the Higher Education*
5 *Facilities Act of 1963 is amended to read as follows:*

6 *“ELIGIBILITY FOR GRANTS*

7 *“SEC. 106. An institution of higher education shall be*
8 *eligible for a grant for construction of an academic facility*
9 *under this title only if such construction will, either alone or*
10 *together with other construction to be undertaken within a*
11 *reasonable time, (1) result in an urgently needed substantial*
12 *expansion of the institution's student enrollment capacity or*
13 *capacity to carry out extension and continuing education*
14 *programs, or (2) in the case of a new institution of higher*
15 *education, result in creating urgently needed enrollment*
16 *capacity or capacity to carry out extension and continuing*
17 *education programs.”*

18 *(b) The first sentence of section 101(b) of the Higher*
19 *Education Facilities Act of 1963 is amended by striking*
20 *out “and each of the two succeeding fiscal years” and insert-*
21 *ing in lieu thereof “and for the succeeding fiscal year, and*
22 *the sum of \$330,000,000 for the fiscal year ending June 30,*
23 *1966”.*

24 *(c) The second sentence of section 201 of such Act is*
25 *amended by striking out “and the sum of \$60,000,000 each*

1 for the fiscal year ending June 30, 1965, and the succeeding
 2 fiscal year” and inserting in lieu thereof “the sum of
 3 \$60,000,000 for the fiscal year ending June 30, 1965, and
 4 the sum of \$120,000,000 for the fiscal year ending June 30,
 5 1966”.

6 TECHNICAL AMENDMENTS

7 MAKING SECTION 103 ALLOTMENTS AVAILABLE FOR SEC- 8 TION 104 INSTITUTIONS UNDER CERTAIN CIRCUMSTANCES

9 SEC. 702. (a)(1) Section 103(b) of the Higher Edu-
 10 cation Facilities Act of 1963 is amended by inserting “(1)”
 11 immediately after “(b)” in such section and by adding at the
 12 end thereof:

13 “(2) Notwithstanding other provisions of this title to the
 14 contrary, a State’s allotment for any fiscal year pursuant to
 15 this section shall, at the request of the Governor of such State,
 16 be available, in accordance with the provisions of this title,
 17 for payment of the Federal share (as determined under sec-
 18 tions 108(b)(3) and 401(d)) of the development cost of
 19 approved projects for the construction of academic facilities
 20 within such State for public institutions of higher education
 21 other than public community colleges and public technical
 22 institutes.”

23 (2) The first sentence of section 103(c) is amended by
 24 striking out “for providing academic facilities for public
 25 community colleges or public technical institutes” and insert-

1 *ing in lieu thereof "for the purposes set forth in subsection*
 2 *(b) of this section".*

3 *(3) Clause (3) of section 105(a) is amended by insert-*
 4 *ing "(except as provided in section 103(b)(2))" after*
 5 *"section 103 will be available".*

6 *MAKING SECTION 104 ALLOTMENTS AVAILABLE FOR SECTION*
 7 *103 INSTITUTIONS UNDER CERTAIN CIRCUMSTANCES*

8 *(b)(1) Section 104(b) of the Higher Education Facili-*
 9 *ties Act of 1963 is amended by inserting "(1)" immediately*
 10 *after "(b)" in such section and by adding at the end thereof:*

11 *"(2) Notwithstanding other provisions of this title to*
 12 *the contrary, a State's allotment for any fiscal year pursuant*
 13 *to this section shall, at the request of the Governor of such*
 14 *State, be available, in accordance with the provisions of this*
 15 *title, for payment of the Federal share (as determined under*
 16 *sections 108(b)(3) and 401(d)) of the development cost of*
 17 *approved projects for the construction of academic facilities*
 18 *within such State for public community colleges and public*
 19 *technical institutes."*

20 *(2) The first sentence of section 104(c) is amended by*
 21 *striking out "for providing academic facilities for institutions*
 22 *of higher education other than public community colleges and*
 23 *public technical institutes" and inserting in lieu thereof "for*
 24 *the purposes set forth in subsection (b) of this section".*

1 (3) Clause (3) of section 105(a) is amended by insert-
 2 ing “(except as provided in section 104(b)(2))” after “sec-
 3 tion 104 will be available”.

4 REVISING FEDERAL SHARE FOR PUBLIC COMMUNITY
 5 COLLEGES AND PUBLIC TECHNICAL INSTITUTES

6 (c)(1) Section 105(a)(2) of the Higher Education Fa-
 7 cilities Act of 1963 is amended by striking out “other than a
 8 project for a public community college or public technical
 9 institute”.

10 (2) Section 107(b) of such Act is amended (1) by
 11 striking out “other than a project for a public community
 12 college or public technical institute”, and (2) by striking out
 13 “shall be 40 per centum” and inserting in lieu thereof “shall
 14 in no event exceed 40 per centum”.

15 (3) Section 401(d) of such Act is amended by inserting
 16 immediately before “40 per centum” the following: “a per-
 17 centage (as determined under the applicable State plan) not
 18 in excess of”.

19 INDEFINITE AVAILABILITY OF SUMS APPROPRIATED
 20 UNDER SECTION 201

21 (d) The last sentence of section 201 of the Higher Edu-
 22 cation Facilities Act of 1963 is amended to read as follows:
 23 “Sums so appropriated shall remain available until expended
 24 for grants under this title.”

1 TWO-YEAR AVAILABILITY OF TITLE III FUNDS

2 (e) Section 303(c) of the Higher Education Facilities
3 Act of 1963 is amended by adding at the end the following
4 new sentence: "Sums appropriated pursuant to this subsec-
5 tion for any fiscal year shall remain available for loans
6 under this title until the end of the next succeeding fiscal
7 year."

8 COORDINATION WITH PART A (GRANTS FOR EXPANSION
9 AND IMPROVEMENT OF NURSE TRAINING) OF TITLE
10 VIII OF THE PUBLIC HEALTH SERVICE ACT

11 (f) Effective with respect to applications for grants and
12 loans submitted after the date of enactment of this Act, clause
13 (E) of section 401(a)(2) of the Higher Education Facil-
14 ities Act of 1963 is amended to read as follows: "(E) any
15 facility used or to be used by a school of medicine, school
16 of dentistry, school of osteopathy, school of pharmacy, school
17 of optometry, school of podiatry, or school of public health
18 as these terms are defined in section 724 of the Public Health
19 Service Act, or a school of nursing as defined in section
20 843 of that Act."

21 TITLE VIII—GENERAL PROVISIONS

22 DEFINITIONS

23 SEC. 801. As used in this Act—

24 (a) The term "institution of higher education" means
25 an educational institution in any State which (1) admits as

1 regular students only persons having a certificate of gradua-
2 tion from a school providing secondary education, or the
3 recognized equivalent of such a certificate, (2) is legally
4 authorized within such State to provide a program of educa-
5 tion beyond secondary education, (3) provides an educa-
6 tional program for which it awards a bachelor's degree or
7 provides not less than a two-year program which is ac-
8 ceptable for full credit toward such a degree, (4) is a
9 public or other nonprofit institution, and (5) is accredited
10 by a nationally recognized accrediting agency or association
11 or, if not so accredited, is an institution whose credits are
12 accepted, on transfer, by not less than three institutions
13 which are so accredited, for credit on the same basis as if
14 transferred from an institution so accredited. Such term
15 also includes any business school or technical institution
16 which meets the provisions of clauses (1), (2), (4), and
17 (5). For purposes of this subsection, the Commissioner
18 shall publish a list of nationally recognized accrediting
19 agencies or associations which he determines to be reliable
20 authority as to the quality of training offered.

21 (b) The term "State" includes, in addition to the sev-
22 eral States of the Union, the Commonwealth of Puerto Rico,
23 the District of Columbia, Guam, American Samoa, and the
24 Virgin Islands.

1 (c) The term "nonprofit" as applied to a school, agency,
2 organization, or institution means a school, agency, organiza-
3 tion, or institution owned and operated by one or more non-
4 profit corporations or associations no part of the net earnings
5 of which inures, or may lawfully inure, to the benefit of
6 any private shareholder or individual.

7 (d) The term "secondary school" means a school which
8 provides secondary education as determined under State law
9 except that it does not include any education provided
10 beyond grade 12.

11 (e) The term "Secretary" means the Secretary of
12 Health, Education, and Welfare.

13 (f) The term "Commissioner" means the Commissioner
14 of Education.

15 (g) The term "local educational agency" means a pub-
16 lic board of education or other public authority legally consti-
17 tuted within a State for either administrative control or
18 direction of, or to perform a service function for, public
19 elementary, secondary, or postsecondary vocational schools
20 in a city, county, township, school district, or other political
21 subdivision of a State, or such combination of school districts
22 or counties as are recognized in a State as an administrative
23 agency for its public elementary, secondary, or postsecond-
24 ary vocational schools. Such term also includes any other
25 public institution or agency having administrative control

1 and direction of a public elementary, secondary, or post-
2 secondary vocational school.

3 (h) The term "State educational agency" means the
4 State board of education or other agency or officer primarily
5 responsible for the State supervision of public elementary and
6 secondary schools, or, if there is no such officer or agency,
7 an officer or agency designated by the Governor or by State
8 law.

9 (i) The term "elementary school" means a school which
10 provides elementary education including education below
11 grade 1, as determined under State law.

12 METHOD OF PAYMENT

13 SEC. 802. Payments under this Act to any individual
14 or to any State or Federal agency, institution of higher
15 education, or any other organization, pursuant to a grant,
16 loan, or contract, may be made in installments, and in ad-
17 vance or by way of reimbursement, and, in the case of grants
18 or loans, with necessary adjustments on account of over-
19 payments or underpayments.

20 FEDERAL ADMINISTRATION

21 SEC. 803. (a) The Commissioner is authorized to dele-
22 gate any of his functions under this Act, except the making
23 of regulations, to any officer or employee of the Office of
24 Education.

25 (b) In administering the titles of this Act for which

1 *he is responsible, the Commissioner is authorized to utilize*
2 *the services and facilities of any agency of the Federal*
3 *Government and of any other public or nonprofit agency or*
4 *institution, in accordance with agreements between the Sec-*
5 *retary and the head thereof.*

6 *(c) In carrying out his functions under this or any*
7 *other Act, the Commissioner is authorized to contract for*
8 *the publication of educational and related information so as*
9 *to further the full dissemination of information of educa-*
10 *tional value consistent with the national interest, without*
11 *regard to the provisions of section 87 of the Act of Jan-*
12 *uary 12, 1895 (28 Stat. 622), and section 11 of the Act*
13 *of March 1, 1919 (40 Stat. 1270; 44 U.S.C. 111).*

14 *FEDERAL CONTROL OF EDUCATION PROHIBITED*

15 *SEC. 804. Nothing contained in this Act shall be con-*
16 *strued to authorize any department, agency, officer, or*
17 *employee of the United States to exercise any direction,*
18 *supervision, or control over the curriculum, program of in-*
19 *struction, administration, or personnel of any educational*
20 *institution, or over the selection of library resources by any*
21 *educational institution.*

Passed the House of Representatives August 26, 1965.

Attest:

RALPH R. ROBERTS,

Clerk.

89TH CONGRESS
1ST SESSION

H. R. 9567

[Report No. 673]

AN ACT

To strengthen the educational resources of our colleges and universities and to provide financial assistance for students in postsecondary and higher education.

AUGUST 30, 1965

Read twice and referred to the Committee on Labor
and Public Welfare

SEPTEMBER 1, 1965

Reported with an amendment

Sept. 2, 1965

11. FARM PROGRAM. Rep. Purcell commended and inserted the second in a series of articles by Don Paarlberg, "Great Myths of Agricultural Policy--Myth No. 2: We No Longer Need Farm Programs." p. 22040-41
12. WATERSHEDS. Received from the Budget Bureau a letter changing the watershed project for Rock Creek Okla., from not more than 4,000 acre-feet of total capacity to a total capacity in excess of 4,000 acre-feet. p. 22042
13. LEGISLATIVE PROGRAM. Rep. Albert announced that on Tues., Sept. 7, the military construction authorization bill will be considered under suspension of the rules, and on Wed. and the balance of the week the foreign assistance appropriation bill be considered. p. 21997

SENATE - *Sept 2, 1965*

14. FARM PROGRAM. The "Daily Digest" states that the Agriculture and Forestry Committee "by a vote of 12 to 3, ordered favorably reported with an amendment in the nature of a substitute bill H. R. 9811, proposed Food and Agriculture Act of 1965. It was announced that the bill would be reported to the Senate early next week." p. D878
15. EDUCATION. Passed, 79 to 3, H. R. 9567, the proposed Higher Education Act of 1965 (pp. 21809-48, 21851-84, 21906-7). Conferees were appointed (House conferees have not yet been appointed)(pp. 21884; 21906-7). This bill authorizes the Commissioner of Education, HEW, to make grants to States to aid colleges and universities in assisting in the solution of rural and urban community problems, including housing, poverty, government, recreation, employment, youth opportunities, transportation, health, and land use, to improve college and university library services, to provide scholarships and aid needy students, etc. It provides for the appointment by the President of a National Advisory Council of Extension and Continuing Education, including a representative from this Department, to review the administration and effectiveness of all federally supported extension and continuing education programs and to make recommendations, including recommendations for changes in the provisions of Federal laws relating to extension and continuing education activities, to the Secretary of HEW and to the President.
16. CLAIMS. Passed without amendment H. R. 5024, to provide that the authority for the settlement of claims of up to \$6,500 by the Government for damage to or loss of personal property incident to the service of an employee shall be exercised subject to uniform policies prescribed by the President. This bill will now be sent to the President. pp. 21797-9
17. APPROPRIATIONS. The Appropriations Committee reported with amendments H. R. 10586, making supplemental appropriations for the Departments of Labor and HEW (S. Rept. 680). This bill was made the unfinished business (p. 21950).
18. LANDS. The Interior and Insular Affairs Committee reported with amendment S. 1674, to authorize the Secretary of the Interior to make disposition of geothermal steam and associated geothermal resources from certain public lands (S. Rept. 683). p. 21885
19. RECREATION. The Interior and Insular Affairs Committee reported with amendments S. 897, to provide for the establishment of the St. Croix National Scenic Waterway, Minn. and Wisc. (S. Rept. 679). p. 21885
Received a Mich. Legislature resolution urging enactment of legislation to authorize establishment of the proposed Sleeping Bear Dunes National Recreation Area, Mich. p. 21909

20. SURPLUS FOODS. Sen. Symington urged "substitution in the AID program of our increasing food and fiber surpluses in place of our decreasing dollars." p. 21946
Sen. Mondale inserted an article discussing the merits of Sen. McGovern's proposal "to make possible a much larger, more effective American program to use our agricultural bounty to feed the hungry of the world." pp. 21936-7
21. MONOPOLIES. Sen. Dirksen inserted a speech by the chairman of the board of the Standard Oil Co. of N. J., "A Businessman's View of Some Antitrust Problems." pp. 21900-03
22. CONSUMERS. Sen. Hart spoke in support of proposed truth in packaging legislation and inserted an article in support of his position. p. 21908
23. FOREIGN AID. Sen. Brewster spoke in support of the foreign aid program and inserted an editorial supporting the program. p. 21920
Sen. Yarborough inserted an editorial defending the foreign aid program. p. 21935
24. RESEARCH; EDUCATION. Sen. Ribicoff referred to "increasing concern with the impact of Federal research and development funds on higher education," and inserted an article analyzing the problem, "The Support of Science in the United States." pp. 21923-5
25. FORESTRY. Sen. Neuberger inserted an article from American Forests magazine describing "the rewards of and opportunities for becoming a forester." pp. 21932-5
26. TOBACCO. Sen. Neuberger expressed concern over the effects of cigarette smoking and inserted an article, "U. S. Cites Fatality Rise: Lung Disease Deaths Linked to Cigarettes." pp. 21945-6
27. WATER POLLUTION. Sen. Ribicoff inserted a table listing State allotments under the water pollution control program. p. 21947
28. DATA PROCESSING. Received from GAO a report "on management of automatic data processing facilities in the Federal Government." p. 21884
29. LEGISLATIVE PROGRAM. Sen. Mansfield stated that the Labor-HEW supplemental appropriation bill will be considered next Tues., followed by consideration of several other bills, including the farm bill. p. 21881

ITEMS IN APPENDIX

30. SUGAR. Rep. Findley inserted an article which suggests that "In order to relieve pressure on Washington officials and Congressmen..." "it would seem worthwhile for the United States to declare guidelines which will be followed in establishing foreign country sugar quotas." p. A4966
31. WILDERNESS; RECREATION. Rep. Wilson inserted the third in a series of articles on the proposed recreational development of the San Geronio wilderness area. pp. A4972-3
32. WATER RESOURCES. Rep. McCormack inserted a letter from the president of the National Rivers and Harbors Congress describing contributions that organization has made in the field of water resources. pp. A4973-4
33. BUDGET; EXPENDITURES. Rep. Younger inserted an article by Budget Bureau

street, dragged into police stations, held on vague charges. The black ghetto boiled.

Cavanagh, 7 years out of the University of Detroit's Law School and a political amateur who had never held an elective office, decided to run against Miriani. His reason: "I thought I could win." Almost nobody else did, including many of Cavanagh's friends and ex-schoolmates who volunteered to work in his campaign. Detroit's newspapers, business and labor leaders backed the incumbent against the upstart, while Cavanagh's team relied on "nickels and novenas," a gut-busting campaign and the Cavanagh instinct that Detroit was ready for something new. Negroes voted overwhelmingly for the young Irishman, and white voters swung to him, too, if not as heavily. He won by 42,000 votes, and Detroit's engine got itself a spark plug.

"The first 6 months were crucial," he explains. "We were out to establish our attitude. Since we didn't owe anything to anybody, we could swing from the floor." Amid the anguished wails of commuters, he successfully sponsored an income tax on everyone who worked in Detroit. By the end of this year, the tax revenue will have erased the \$34.5-million budget deficit he inherited when he took office. Cavanagh also cut the city's property tax. "I think these things have helped give the conservative element in the business community greater confidence in our administration," he now says, adding wryly, "when I was elected, I think they thought I was going to blow up the city-county building." Cavanagh has issued an executive order against racial bias in hiring and promoting city employees, appointed Negroes to important positions in his administration, recruited a police commissioner who shared his ideas about enlightened police procedures. (Until Cavanagh named a Negro police inspector, there had never been a Negro above lieutenant on Detroit's force. Negroes comprise over 30 percent of the city's population, but only 3 percent of its police force.) While Cavanagh made it plain that "If you want to be paid like pros, you've got to act like pros," he has raised police salaries 25 percent during his 4 years in office. He has also upped the salaries of other city employees.

In one of the first encounters, he locked bumpers with labor unions whose featherbedding and excessive charges had discouraged industrial exhibitors from using Detroit's \$55-million convention center, Cobo Hall. After he threatened to do the work with city employees, the unions relented, and conventions are again filling Cobo Hall, bringing the city much-needed revenue. To provide the drive for the Cavanagh crusade, the young mayor has shaken up bureaus and departments, axed some of the deadwood and installed his own men, many of them young shakers cut to the hustling Cavanagh pattern. "He's an easy guy to work for," says one of his small band of idea men, "as long as you do a superb job."

Part of Detroit's problem was that most of its automobile executives lived, not in the city, but in its comfortable suburbs and felt the city's headaches were not theirs. Cavanagh campaigned tirelessly to alter this view. "The slums of Bloomfield Hills (a sleek suburban community) are right down here in Detroit," he told one group. To widen the pool of talent available to the city administration, he has persuaded industry and labor chiefs to lend some of their best men as consultants to the city. Even more important to a city with a chronically large unemployment roll, Cavanagh has helped convince auto firms that had been building plants in other parts of the country to build or expand in metropolitan Detroit. General Motors is putting up a \$100-million factory in the area, and Ford has almost completed a new stamping plant that will provide work for thousands.

Attracting new industry to Detroit is high on the Cavanagh priority list. But even higher is what he calls "social renewal," a concerted attack by city agencies on the causes of poverty, disease, slum housing and other social ills. "There isn't a city in America that doesn't have a physical master plan," he explains. "What we don't know so well is how to live in a large American city, how to get on with each other, how to renew our human and social values."

To get his social-renewal program swinging, Jerry Cavanagh has relied heavily on Federal money. As the only elected official on President Lyndon B. Johnson's Metropolitan and Urban Problems Advisory Committee, he was well-placed to anticipate the Government's specifications for its antipov-erty programs. It is no accident that Detroit officials were first in line with plans that dovetailed with ideas the committee had suggested, or that Detroit get more Federal aid than any city except New York and Chicago. Detroit now has 21 urban-renewal projects underway, for which the U.S. will give \$36 million: an umbrella-like and well-coordinated antipov-erty program, an Accelerated Public Works scheme, an outsized highway program and a host of other plans, largely reliant in Federal funds. Cavanagh's opponents have criticized him for relying on U.S. aid, but the mayor gives them short shrift. "We send billions to Washington," he says, "and we're entitled to some sort of return." His programs have recently brought the city awards for their comprehensive planning and architecture.

Cavanagh has not hesitated to take unpopular stands. "I'd like my epitaph to be 'We knew where he stood,'" he says. Against the advice of political experts, he endorsed "open occupancy" housing in a city whose voters passed a so-called homeowners law, which in effect gave home sellers the right to refuse Negro buyers. A Catholic and the father of eight, he ordered "rethinking" in the city's health and welfare departments, which spurred them to come up with a birth-control program more radical than that of any other large U.S. city. He has rebuffed Negro leaders seeking a civilian police review board and a Catholic organization that wanted the city to fly a "one Nation under God" pennant beneath the American flag on the city-county building. Some old-line policemen grumble that he has tied their hands by insisting that they use more tact in tense neighborhoods.

One of Cavanagh's biggest jobs has been to impart his sense of commitment to city employees, who have seen mayors come and go.

"I have had to recognize that, philosophically, not all these people are marching under my banner," he says, "and for them, it is quite a change." How does he solve the problem? Richard Strichartz, an on-leave Wayne State University professor and ex-Cavanagh neighbor who is now city controller, says, "We try to identify the fulcrum of change—the people who can make a government stop or go. And we work to change their attitudes. We realize this is going to take time."

Jerry Cavanagh is a gregarious, informal mayor. He chats with city employees, local politicians and passersby as he moves around trying out ideas and feeling the pulse of the large metropolis at the same time. "The response of the people is tremendous," he exclaims. "They say 'Somebody finally cares about us.'"

Detroit is a vibrant city these days. Not everybody has gotten what he wants, but most concede there is forward motion. The Reverend James Wadsworth, head of the 22,000-member Detroit National Association for the Advancement of Colored People branch (the association's largest), says "While Negroes have not deluded themselves that the Messiah has come, they know that we

now have a mayor who at least recognizes that they are part of the city." At a \$50-a-plate testimonial dinner for Cavanagh given by business and labor leaders, Leonard Woodcock, vice president of the United Auto Workers, said, "We are glad to have these nice things to say about the mayor now, because we didn't during the campaign. Fortunately, the people of Detroit were wiser than we were."

Jerry Cavanagh is not resting on his press clippings. "In this business," he says, "the field is strewn with the bodies of might-have-beens." But the newspapers, industry and labor leaders who opposed him in 1961 are now supporting his reelection this fall. It's obvious that the mayor of Detroit is on the way up—and so is Detroit.

HIGHER EDUCATION ACT OF 1965

The Senate resumed the consideration of the bill—H.R. 9567—to strengthen the educational resources of our colleges and universities and to provide financial assistance for students in postsecondary and higher education.

Mr. MORSE. Mr. President, I yield to the Senator from Connecticut. When I yield to the Senator from Connecticut, I am yielding to one of my great teachers on educational legislation.

Mr. RIBICOFF. Mr. President, I have always admired the distinguished senior Senator from Oregon for his leadership, knowledge, and inspiration on legislation pertaining to education.

As I have said before on this floor, and I repeat today, this country, this generation, and all future generations will always owe a debt of gratitude to the senior Senator from Oregon. Because of his leadership, a long list of educational proposals has become a reality. That is the reason why I have asked the Senator to yield to me. I want to make sure that nothing is done during the next few days to jeopardize this landmark piece of legislation. I shall make a brief statement to indicate my reasons for this action.

Mr. MORSE. Mr. President, I thank the Senator for his flattering generosity.

Mr. RIBICOFF. Mr. President, the 89th Congress will soon add another impressive achievement to an already long list of important legislation. The Higher Education Act of 1965 represents the culmination of years of effort by two administrations, by a great number of concerned Americans, by the Senate Committees on Labor and Public Welfare, and by many Senators, who, like me, are convinced that education is the key to the development of a great society.

To me, the most significant breakthrough in the higher education bill is its student aid provisions—especially the scholarship program. I fought for such a program as Secretary of Health, Education, and Welfare in 1961. I am a cosponsor of the Higher Education Act of 1965, and I am proud that, like so many other forward-looking programs, Federal scholarships will become a reality during this 89th Congress.

There is, of course, much more to the Higher Education Act than student scholarships. There are guaranteed loan programs, work-study programs, and programs for strengthening college libraries and extension services. The bill

includes a National Teacher Corps and there are provisions for additional funds for the construction of classrooms and the facilities, and for the purchase of equipment. Through the program for developing institutions, we will be able to give small colleges the support they need to develop into important institutions of learning so desperately needed if all Americans are to receive the education they deserve.

All of these programs are important ones. And all are combined in a magnificent bill. I am proud to be a cosponsor and I am sure that the bill will receive the overwhelming support of the Senate.

I have been asked by many cosponsors and others whether I would raise my bill to give tax credits for higher education expenses, S. 12, as an amendment to the higher education bill. My answer, Mr. President, is no.

I believe the higher education bill is so important that I will do nothing to jeopardize its passage or slow its consideration. I have long maintained that scholarships and loans are necessary programs, and I have also maintained that they are not substitutes for tax relief for higher education expenses.

The tax credit for higher education stands on its own feet, Mr. President, as a measure of relief to the millions of average American taxpayers who each year put their children through college at their own expense. Those Americans, the average family, invest millions of dollars in America's future. I believe the tax laws should recognize the investment as surely as they recognize the wisdom of investing in machinery or facilities for industrial expansion, or as they recognize the need for tax relief for medical expenses and capital losses. The greatest single expense faced by most American families—greater than a house or a car—is the education of their children. No other investment is so vital to our Nation—no other investment is so necessary to assure our country's strength.

So I am still fully convinced of the basic need of tax credits for higher education expenses. And next year I shall ask the Senate to face the issue squarely and decide whether this vitally important measure of relief for the average American family should finally be granted. I put the Senate on notice, Mr. President, that I shall bring S. 12 to the floor next year, but I shall do nothing to endanger the Higher Education Act of 1965, a bill of crucial importance to the future of the Nation.

Mr. MORSE. Mr. President, once again, as I have been so justified in doing many times in the past, I pay tribute to the educational statesmanship of the former Secretary of the Department of Health, Education, and Welfare, now the Senator from Connecticut.

On behalf of the subcommittee and, I know, the full committee, I thank the Senator from Connecticut for the important announcement that he has just made that he does not intend to commingle with our discussion of this higher education bill, the Ribicoff bill which deals with the question of tax credits.

I want the Senator to know also that I join him in his suggestion that his

bill be brought up for further hearings and consideration early in the next session of this Congress.

I shall work with the Senator to that end. As he knows, I have not agreed with him as to the merits of the bill to date, but I am open to conviction. I want the hearings on the bill to be held so that the bill will receive full consideration.

I thank the Senator for his renewed pledge of complete cooperation with our committee so that we may get the higher education bill passed without its having been subjected to any amendment which might endanger it.

Also this RECORD should show that the Senator from Connecticut, because of his former position as Secretary of the Department of Health, Education, and Welfare, has made one contribution after another to my Subcommittee on Education. We have gone to him time and time again for sage advice, and he has given it to us. I again express my sincere thanks to him.

Mr. BARTLETT. Mr. President, will the Senator yield?

Mr. MORSE. I yield to the Senator from Alaska.

Mr. BARTLETT. Mr. President, we in the United States have thought we had the best education system in the world. Perhaps we have, but in the past few years, much to our surprise and shock, we have discovered serious lacks—lacks which can only be corrected, it appears, by the helping hand of the Federal Government.

This year will go down in history as a landmark year in the field of education. A good part of what has occurred, and which is occurring, has occurred, in my judgment, because of the able leadership, and wise leadership, and the effective leadership of the Senator from Oregon.

I would not want the debate on this measure to close without having had an opportunity to thank the Senator on behalf of all the people of the United States.

Mr. MORSE. The Senator from Alaska is very kind. Whatever has been accomplished in education legislation in this body in the last several years, and will be accomplished this year, is due to the work of my committee, and each member of the committee is deserving of an equal share of credit.

I planned to say this, also, at the conclusion of the consideration of this legislation, but let me say it now—I would not be standing before the Senate today, presenting a bill which represents a unanimous vote of the Committee on Labor and Public Welfare, if it were not for the cooperation I have received from the distinguished Senator from Alabama [Mr. HILL] chairman of the full committee, and the distinguished majority leader of the Senate [Mr. MANSFIELD], and also the cooperation I have always received from the distinguished minority leader, the Senator from Illinois [Mr. DIRKSEN].

This is a composite program that is being presented today, which represents the cooperative effort of a large number of Members of the Senate.

I see sitting in a back row a Senator

who is not a member of the committee, the Senator from Montana [Mr. METCALF], but when he was in the House of Representatives he came to have a label attached to him, "Mr. Education." The Senator from Montana has consulted with me and with other members of the subcommittee time and time again on bill after bill as we have taken the legislation through the committee.

As to the Senator from Alaska [Mr. BARTLETT], the record is perfectly clear as to the contributions he has made to the work of the committee. His suggestions have improved not only this legislation, but the primary-secondary education bill. On behalf of the committee, I offer him our sincere thanks.

Mr. President, for the record, a parliamentary inquiry. Am I correct in my understanding that the pending business is Calendar No. 656, H.R. 9567, the higher education bill?

The PRESIDING OFFICER. The Senator is correct.

AUTHORIZATION FOR STAFF MEMBERS TO HAVE RIGHT OF FLOOR OF SENATE

Mr. MORSE. Mr. President, I ask unanimous consent that all members of the staff of the Committee on Labor and Public Welfare who have worked on the higher education bill be permitted to be on the floor to be of assistance to both the majority and minority members of the committee.

Mr. President, I ask that all members of the committee staff, have permission to be in the Chamber.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MORSE. Mr. President, I shall proceed for the record to make a statement in behalf of the committee on the bill, giving our views as to why we hope the Senate will support the bill that has been brought to the floor of the Senate by unanimous vote of the Senate committee. But let me make clear that members of the committee reserved the right, as we always do, to offer amendments to the bill. Although the bill comes to the floor of the Senate with a unanimous vote, in our discussions there were differences of opinion as to possible choices. Some of the amendments which may be offered on the floor were not adopted in committee, but Senators reserved the right to offer them on the floor of the Senate, which they have the right to do.

Mr. President, it is with a sense of humility and yet a sense of fulfillment of an obligation that I assumed in the 88th Congress that I open this morning debate on H.R. 9567 as amended by the Senate Committee on Labor and Public Welfare.

I am humble because of the generous spirit of cooperation which I have received from all of my colleagues on the committee irrespective of party as we jointly, in the best interests of the youngsters of this country, strove to perfect a higher education bill which, in my judgment, will rank as a major advance in this area.

No chairman could ever have received finer cooperation, and I wish to express publicly at this time my deepest appreciation to the distinguished Senator from Alabama [Mr. HILL], who time after time

at a cost, I am sure, of inconvenience to himself in terms of his manifold responsibilities, accommodated the schedule of the committee so that this work could proceed with dispatch.

To my colleagues on the subcommittee on the majority side who participated each and every one in our subcommittee work through long hearings and through long executive sessions with diligence and faithfulness, I can only inadequately say that I thank them; and to my colleagues on the subcommittee on the minority side the same tribute is due in equal measure.

The bill we bring before the Senate today bears in every title and almost in every section or part, the hallmark of able and dedicated Senators. Each has imprinted upon the bill suggestions through amendment which, in my judgment, have strengthened and improved the measure as introduced.

It is with a sense of fulfillment that I present this bill since it enables me to redeem a part of the obligation I undertook when in the 88th Congress hearings were opened on the omnibus education bill, S. 580. Bill by bill, the titles of S. 580 have become statute law. H.R. 9567, I trust, will soon reach the same destination, because in it are the pledges and earnest of the American people to young students that their educational needs can be given recognition through action on the part of the Government.

In all candor, I must confess that H.R. 9567 in many of its titles goes far beyond the original vision which inspired the work. Title I of H.R. 9567 is concerned with college and university continuing education, cast in a broader vein than S. 3477 which passed the Senate in the 87th Congress, and which appeared in S. 580 as a part of title V in the 88th Congress.

I use this title as an example because I think it illustrates well the growth of an idea over time and the benefit to be attained in many cases, which is to be derived from permitting ideas to mature. The services to Americans of all ages which the college and university continuing education and extension title of H.R. 9567 will bring into being were contained in seed but not the developed form in the earlier versions of the legislation. As title I of the bill we are now debating, it is my judgment that a proved method of past years in limited context can be adapted and will be adapted to serve communities of every size in our Nation. Programs long established in continuing education show, as in my own State of Oregon, great benefit from this title when it becomes fully operative. Not only through the expansion of the existing programs now being ably carried out in every corner of the State but, as in the grafting of a new variety of apple upon a sturdy root system of the parent stock, it can be expected that the harvest of human attainment through increased knowledge to be derived from this title will be bountiful.

I mentioned a moment ago the omnibus education bill, S. 580. S. 580 was a bill that envisioned the ideals, hopes, and aspirations of the late President John Fitzgerald Kennedy in the field of educational legislation.

How well I recall now, as I think back to those times when my subcommittee met with President Kennedy, the objectives he had in mind, and the hopes and aspirations he had for advancing the educational opportunities of the youth of this country by way of the provisions of S. 580.

As Senators know, S. 580 was offered as an omnibus bill. Hearings were held on it as an omnibus bill. It soon became clear that as an omnibus bill it could not pass the 88th Congress, and would have to be considered in segmented form.

In conference with the then President of the United States, I advised, and he accepted the recommendation, that the measure be considered point by point. We proceeded to break the bill up into a series of segments. At the very beginning, I announced a pledge on the floor of the Senate, as the CONGRESSIONAL RECORD will show, that I would do the best I could to see to it that every single section of what was then known as the Kennedy bill, S. 580 would eventually be brought to the floor of the Senate for a vote.

We are fulfilling that pledge today, because we have already covered most of the sections of S. 580 in Public Law 88-204, Public Law 88-210 of the last session and when we enacted Public Law 89-10, the Elementary and Secondary Education Act of 1965, earlier this session.

I believe the record will show that, with the previously enacted laws, when Public Law 89-10 was signed it brought into legislative being 20 of the 24 provisions or segments of the original Kennedy S. 580 bill.

When we pass this bill, if my optimism is justified—and I am very optimistic—we shall have kept the pledge in full.

That does not mean that S. 580 will be in law or on the statute books of this country in the identical form in which it was introduced. That is rarely the case with legislation. But it means—and I am proud to say this with deep solemnity because I know what this program meant to the late President Kennedy—that if the bill is passed in the form in which it is being presented, or without any scuttling changes in it, we shall have adopted the major underlying principles of all sections of the historic omnibus education bill known as S. 580, and we shall have added to that illustrious record new programs which promise much for the education of Americans of all ages, through new approaches in method and technique which bear the brand and stamp of President Johnson who has given education legislation his unstinting support. And, I might add, his continuing support. One title in the present bill contains concepts and programs sent to the Congress as recently as July 17 some short 6 weeks ago.

Mr. President, I do not propose to detain the Senate for long in this introductory presentation. On the desk of each Senator are the three volumes of our hearings which are packed with factual justifications for the actions we have taken in each title of the bill. The 1,529 pages comprising that record speak far

more eloquently than I can of the needs and problems which H.R. 9567 is designed to meet. I shall, therefore, refer Senators to the report upon the bill which in detail in title after title, section after section, sets forth the various provisions of the measure. Mr. President, I ask unanimous consent that the short summary which appears in the first pages of the report be printed at this point in my remarks.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SHORT SUMMARY OF H.R. 9567, AS AMENDED

If enacted as amended, H.R. 9567 would:

(1) In title I, provide for fiscal year 1966 \$25 million, and \$50 million for each of the 4 following fiscal years to finance college and university extension and continuing education programs designed to assist in the solution of community problems and to strengthen and expand programs of continuing education through extension methods.

The funds provided would be used by the Commissioner of Education to make grants to colleges and universities providing such college and university extension services.

For the purpose of developing State plans through which the programs would be administered, 5 percent of the costs of the program or \$25,000, whichever is greater, is authorized. Eighty percent of the money in each year would be allotted to the States upon a formula based upon population. Twenty percent of the sums appropriated under the authorization are reserved to the Commissioner for grants and contracts to finance experimental projects.

The President of the United States is authorized under this title to appoint a National Advisory Council on Extension and Continuing Education consisting of representatives of executive departments and 12 members appointed without regard to civil service laws from among persons knowledgeable in the field who, in addition to advising the Commissioner on the regulations established pursuant to the title, have the duty of reviewing the administration and effectiveness of all federally supported extension and continuing programs, and upon the basis of their findings to make recommendations to the President for transmittal to the Congress in annual reports commencing March 31, 1967, for the effectuation of their findings.

(2) Three types of programs to improve college and university libraries are authorized under title II of the proposed act.

(a) The first part of the act authorizes \$50 million a year for 5 years to expand and to improve college library resources through provision of basic, supplemental, and special-purpose grants. Library resources include books, periodicals, documents, magnetic tapes, phonograph records, audiovisual materials and other related materials (including necessary binding). Seventy-five percent of the funds appropriated will be reserved for basic and supplemental grants. A basic grant which will not exceed \$5,000 will be made to each eligible institution of higher education and to each branch of such institution which is located in a community different from that in which its parent institution is located. These basic grants will be matched on a 50-50 basis. Joint use of library facilities with other institutions is required where feasible. The supplemental grants which are not matched shall not exceed \$10 for each full-time student. In making these grants the Commissioner of Education may take into consideration factors such as the size and age of the library collection and student enrollment and give priority to institutions in need of financial assistance for library purposes. Special-purpose grants which will be funded from the remaining 25 percent of the appro-

priation are reserved to meet special national or regional needs for additional library resources. Moreover, these grants may also be made to institutions which demonstrate a special need for additional library resources and which demonstrate that such financial assistance will make a substantial contribution to the quality of their educational resources. Special-purpose grants are matched at a rate of three Federal dollars for each institutional dollar. An Advisory Council on College Library Resources shall establish criteria for the making of supplemental grants and special-purpose grants.

(b) The second part of the title authorizes for the fiscal year ending June 30, 1966, \$7,500,000 and \$15 million for each of the 4 succeeding fiscal years to make grants to institutions of higher education to assist them in training persons in librarianship. In addition, the Commissioner is authorized to make grants to institutions of higher education and other public or private agencies and to individuals for research and demonstration projects relating to the improvement of libraries and the improvement of training in librarianship.

(c) Part C of the title provides \$5 million for the fiscal year 1966, \$6,315,000 for fiscal year 1967, and \$7,700,000 for each of the 3 following fiscal years to enable the Commissioner of Education to transfer funds to the Librarian of Congress. Such funds will be expended to provide cataloging information promptly after receipt of library materials and to aid the Librarian of Congress in the acquisition of library materials currently published throughout the world of value to scholars.

(3) In title III of the proposed act, for fiscal year 1966 the Commissioner of Education is empowered to grant \$55 million and for fiscal year 1967 and the 3 succeeding fiscal years \$60 million each year, for strengthening 4-year and 2-year developing institutions of higher education through making grants for payment of part of the cost of financing cooperative agreements between developing institutions and other colleges and universities. Such grants, upon a project basis, could be used for programs and activities such as (a) the exchange of faculty or students by the cooperating institutions; (b) training programs for developing institutional faculties and college administration; (c) introduction of new curriculums; (d) cooperative education programs; (e) joint use of facilities such as libraries or laboratories, and (f) other arrangements which offer promise of strengthening the academic programs and administration of developing institutions.

A further section of this title provides national teaching fellowships under which qualified graduate students and junior members of the faculties of developed institutions would be encouraged to teach at the developing institutions. Such fellowships would carry stipends of not more than \$6,500 per year plus \$400 for each dependent accompanying the fellow.

(4) Title IV, the student assistance title of the act, is composed of four parts:

Part A established undergraduate scholarships, funded at \$70 million for the first year, will afford educational opportunities to 140,000 students. These scholarships, under committee amendments adopted, may range from \$200 to \$800 a year, dependent upon need. For those students having need in excess of \$800 who are in the upper half of their college class, a maximum of \$1,000 could be provided. These scholarships will be awarded by institutions of higher education within a State. Under the amendment adopted by the committee, however, 15 percent of a State's total allotment may be used by a State scholarship program for scholarships meeting the terms of the act, to supplement, upon a matching basis, its existing program or to initiate such a program. Such

supplementation, however, would require an expansion of an existing program. The scholarship program provides \$70 million for each of 5 years for initial scholarships. Scholarships could not exceed 4 years. Appropriations are also authorized to finance scholarships previously awarded.

Part B is the insured loan program. The committee here adopted an amendment to the original bill which parallels almost exactly the language adopted by the House when the companion measure passed on August 26. It places the Federal loan insurance program on a standby basis, to become operational only in the event that at any institution of higher education, State and/or private nonprofit loan insurance programs should fail to meet the demands for insured loans at that institution. This program is designed to assure that colleges and students attending colleges will have reasonable access to low-interest-rate loans. In order to accomplish this, the loans will be interest free to the student while he is attending school and at an interest rate paralleling the National Defense Education Act direct loans when he has completed his education. The difference between the interest charged to the student and the cost of the money through State or private nonprofit organizations will be paid by the Federal Government.

Part C of title IV transfers the college work-study program from the Office of Economic Opportunity to the Commissioner of Education—\$129 million is authorized for this purpose for fiscal year 1966, and should provide on- and off-campus employment for 225,000 to 285,000 students. The final year of the program under administration estimates would be \$235 million.

Part D of title IV consists of amendments made by the committee to the National Defense Education Act title II student loan program. These amendments were designed to provide participating colleges with procedures which would enable them to loan and collect more efficiently advances under this program. In addition, the committee adopted an amendment which forgives completely a National Defense Education Act loan at the rate of 15 percent per year for a teacher who elects to teach in a school in receipt of funds under title I of Public Law 89-10. The 100-percent forgiveness, however, would apply only in the case of teachers employed by 25 percent of the schools in the State.

The committee finally, also adopted amendments to include within title III of the National Defense Education Act the subject matter area of economics, and to provide in title XI, the institute title, provision for teachers in the fields of economics and civics. Increased funds for title III and title XI of the National Defense Education Act would come to \$27,250,000 each year.

(5) Title V, which is concerned with teacher preparation programs, consists of four parts. Part A establishes in the Office of Education a 12-member Council on Teacher Preparation under the chairmanship of the Commissioner of Education. It is charged with the responsibility of reviewing the administration and operation not only of the programs carried out under title V but of all other Federal programs for complementary purposes. Part B makes provision for a National Teacher Corps funded at \$36,100,000 for fiscal year 1966 and at \$64,715,000 for each of the 4 following years. This program in its first year would permit approximately 6,000 individuals either alone or as members of a teaching team, in conjunction with local school districts, to provide teaching services in such districts. An additional part of the new title would provide 4,500 fellowships for the first year, rising to 15,000 in the fifth year, leading to a master's degree designed to attract recent graduates into the teaching field and to provide advanced training for experienced

teachers. Forty percent of the fellowships are for recent graduates, 60 percent are for teachers with 5 or more years of experience. The master's may be taken either in education or in a subject matter discipline. Stipends for recent graduates are established at \$2,000 for the first year and \$2,200 the second year as in title IV of National Defense Education Act. Stipends for experienced teachers are set at \$4,800 per year. For both recent graduates and experienced teachers provision is made for dependents at the rate of \$400 per year and the necessary travel to the institution at which training is taken is also allowed. Each institution of higher education accepting such a fellow under the terms of the bill would receive a cost-of-education allowance of \$3,000 per annum. Between 20 and 25 percent of the fellowships in each category would be reserved for ancillary fields such as special education, school social work, school library work, and vocational education. A further provision of this part would permit the Commissioner of Education to award up to 20 percent of the experienced teacher fellowships to professional employees of school systems who have been displaced as the result of school population changes resulting from the enforcement of the Civil Rights Act or the purposes of that act.

The final part of this new title would provide the Commissioner of Education with \$5 million a year for grants to pay part of the costs of improving graduate and undergraduate teacher training programs in institutions of higher education.

(6) In title VI of the proposed act, a new program is established which brings to higher education in a manner similar to title III of the National Defense Education Act, a matching equipment grant program which for the first year is funded at \$35 million and which will rise to \$60 million at the end of the fifth year. There is also constituted a faculty development program funded at \$5 million a year which is the counterpart of title XI of the National Defense Education Act at the elementary and secondary level. A further section provides \$2.5 million for fiscal year 1966 and \$10 million for the following 4 years for acquisition of TV equipment.

(7) Title VII amends the Higher Education Facilities Act of 1963 by incorporating amendments which increase for 1966 by \$100 million funds authorized for inadequate academic facilities and by \$60 million funds authorized for graduate academic facilities. Other amendments in this area would change matching requirements from the present fixed 40-60 formula in the case of junior and community colleges to an "up to 40 percent" Federal share, thus placing the junior and community college segment on a parity with similar language, applying to 4-year schools. The committee further broadened the categories of construction permissible under the Higher Education Facilities Act by removing previous limitations. Prohibition against construction for religious purposes or for structures for which admissions charges are made or gymnasia still apply. A third change in this area permits an interchange between funds for 4- and 2-year public schools where the State authorities determine this to be necessary.

(8) Title VIII contains general provisions and definitions as used in the act.

Mr. MORSE. Mr. President, I ask unanimous consent that there further appear at this point in my remarks a section-by-section analysis of the reported bill and a table of State allotments.

There being no objection, the analysis and table was ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION ANALYSIS

Section 1: This section provides that this act may be cited as the "Higher Education Act of 1965."

TITLE I—COLLEGE AND UNIVERSITY EXTENSION AND CONTINUING EDUCATION

Section 101. Appropriations authorized: This section authorizes the appropriation of \$25 million for making grants under this title for the first year of a 5-year program, and \$50 million for each of the last 4 years. The grants would be made by the Commissioner of Education to strengthen continuing education and extension methods and teaching, and the public service resources of colleges and universities so as to assist in the solution of community problems such as housing, poverty, government, recreation, employment, youth opportunities, transportation, health, and land use.

Section 102. Allotments to States: Paragraph (1) of subsection (a) provides for the allotment among the States of 80 percent of the sums appropriated for each fiscal year pursuant to section 101. Guam, American Samoa, and the Virgin Islands are each allotted \$25,000, and the other States (including the District of Columbia) are each allotted \$100,000. The remainder of the 80 percent of the appropriation is allotted among the States in proportion to their population.

Paragraph (2) of subsection (a) provides that the Commissioner shall reserve 20 percent of the sums appropriated for each fiscal year pursuant to section 101 for grants and contracts for experimental projects and for supplemental grants pursuant to section 106.

Subsection (b) provides for reallocation among the States of the unused portion of any State's allotment.

Subsection (c) permits States to combine their allotments.

Subsection (d) provides that the Commissioner shall determine the population of States on the basis of the most recent satisfactory data available from the Department of Commerce.

Section 103. Uses of allotted funds: A State's allotment may be used in accordance with its State plan to provide new, expanded, or improved extension and continuing education programs designed to assist in the solution of rural and urban community problems.

Section 104. State plan: In order for a State to receive its allotment it must either (1) designate an agency qualified to solve community problems which is broadly representative of institutions of higher education competent to offer community service programs in the State or (2) designate an agency which does not meet all of these qualifications but which is required to consult with an advisory council in the State which meets the qualifications which the agency lacks. The agency must submit a State plan which sets forth a comprehensive, coordinated, and statewide system of extension and continuing education programs administered by or under the agency) for which funds allotted to the State will be spent. The plan must provide for allocating Federal funds to institutions of higher education according to each institution's capacity and willingness to provide extension and continuing education programs, the need for such programs in the State, and the results of periodic evaluations of need for, and effectiveness in carrying out of, such programs within the State. The plan must assure that Federal funds will supplement and to the extent practicable increase funds otherwise available for community service programs, and must provide for certain reports and accounting procedures. The Commissioner of Education is directed to approve any plan meeting the requirements of this section.

Section 105. Payments: This section provides that payments from a State's allotment will be made to the State agency to carry out the State plan. The Federal share of the cost of carrying out the State plan will equal 75 percent in the fiscal years ending in 1966 and 1967, and 50 percent in each of the 3 succeeding years. This section also prescribes the manner of payment and certain limitations on the extent to which funds under this title will be available to pay administrative costs and costs with respect to which payments have been received under other Federal programs.

Section 106. Experimental approaches and supplemental grants: This section provides that the Commissioner shall use 20 percent of the sums appropriated for each year pursuant to section 101 to make grants to and contracts with institutions of higher education to pay part of the cost of experimental approaches to extension and continuing education related to the solution of community problems, or to augment grants awarded under this title from funds allotted under section 103.

Section 107. Administration of State plan: This section requires a hearing before the Commissioner of Education before he finally disapproves a State plan and before he determines a State has become ineligible to participate further under this title. A State with an approved plan may become ineligible if its plan is so changed or administered that the plan or its administration does not comply with the requirements of section 105.

Section 108. Judicial review: A State dissatisfied with the Commissioner's action in disapproving its plan or in determining that the State is ineligible to participate further under this title may obtain review of such action by a United States court of appeals.

Section 109. National Advisory Council on Extension and Continuing Education: This section directs the President to establish a National Advisory Council on Extension and Continuing Education to advise the Commissioner on the preparation of general regulations and on policy matters arising in the administration of this title, including the approval of State plans and the approval of projects and activities under section 106. The Council would also advise the Commissioner with respect to policies designed to eliminate duplication and to coordinate the programs under this title with other extension and continuing education programs, and it would review the administration and effectiveness of all such programs. The Council would consist of the Commissioner, at least 8 persons representing Federal agencies having extension and continuing education responsibilities, and at least 12 members appointed by the President.

Section 110. Relationship to other extension programs: This section states that title I does not modify authorities under certain other Federal extension and vocational education programs.

Section 111. Limitation: This section provides that no grant may be made under this title for any education activities and services related to sectarian instruction or religious worship, or provided by a school or department of divinity.

TITLE II—COLLEGE LIBRARY ASSISTANCE AND LIBRARY TRAINING AND RESEARCH

Part A—College library resources

Section 201. Appropriations authorized: This section authorizes the appropriation of \$50 million for the fiscal year ending on June 30, 1966, and for each of the 4 succeeding fiscal years, to enable the Commissioner to make grants to institutions of higher education. The grants will be for the purpose of assisting and encouraging such institutions to acquire for library purposes books, periodicals, documents, magnetic tapes, phonograph records, audiovisual materials, and

other related library materials (including whatever binding may be necessary).

Section 202. Basic grants: Under this section, the Commissioner may make basic grants (for the purposes set forth in sec. 201) to institutions of higher education and combinations of such institutions from 75 percent of the sums appropriated for any fiscal year pursuant to section 201. The maximum basic grant shall be \$5,000 for each institution and branch thereof which is located in a different community. Applications may be made by an individual institution or by a combination of institutions. A basic grant may only be made if the Commissioner approves the application therefor. Before approving an application, he must determine that it—

(a) Provides satisfactory assurance that during the fiscal year for which the grant is requested the applicant will spend, for all library purposes (except construction) and from funds other than funds received under the part, (1) an amount equal to not less than the annual average of the amounts it spent for such purposes during the 2-year period ending June 30, 1965, and (2) an amount from such other sources at least equal to the amount of such grant;

(b) Provides satisfactory assurance that the applicant will spend, for books, periodicals, documents, magnetic tapes, phonograph records, audiovisual materials, and other related materials, including whatever binding is necessary, from funds other than funds under the part, during the fiscal year for which the grant is requested, an amount at least equal to the average annual amount it spent for such materials during the 2-year period ending June 30, 1965;

(c) Provides for joint use of library facilities where feasible;

(d) Provides for necessary fiscal control and fund accounting procedures; and

(e) Provides for making reports needed by the Commissioner to carry out his functions under this section.

Section 203. Supplemental grants: Under subsection (a), the Commissioner is authorized to make supplemental grants for library resources to institutions of higher education and to combinations of such institutions. Supplemental grants would be made from whatever remains (after basic grants have been made) of the 75 percent of the sums appropriated for any fiscal year, plus, any sums the Commissioner determines will not be needed for making grants under section 204. A supplemental grant shall not exceed \$10 for each full-time student enrolled in each such institution (including the full-time equivalent of the number of part-time students). The number of full-time students and their equivalent shall be determined by the Commissioner for each institution in accordance with regulations to be promulgated by him. A supplemental grant may be made only upon application therefor. An application must be in such form and must contain such information as the Commissioner may require. The application shall—

1. Meet the application requirements set forth in section 202 (except for the matching requirement in sec. 202(a)(2));

2. Describe the size and quality of the applicant's library resources in relation to its present enrollment and to any expected increase in its enrollment;

3. Set forth any special circumstances which are impeding, or which are expected to impede, the proper development of its library resources; and

4. Explain how a supplemental grant would be used to improve the size or quality of its library resources.

Subsection (b) provides that the Commissioner shall approve applications for supplemental grants in accordance with basic cri-

teria developed after consultation with an Advisory Council established under section 205 and prescribed in regulations. The criteria will be those that will tend to best achieve the objectives of part A. They may take into consideration such factors as the age and size of the library collection, student enrollment, and financial resources and endowment, and they would be required to give priority to needy institutions.

Section 204. Special purpose grants: Subsection (a) provides that 25 percent of the sums appropriated for part A for each fiscal year shall be used to make special grants. These special grants shall be made (a) to institutions of higher education which demonstrate a special need for additional library resources and which demonstrate that the additional resources will make a substantial contribution to the quality of their educational resources; (b) to institutions of higher education to meet special national or regional needs in the library and information sciences, including those in the physical and social science fields; and (c) to combinations of institutions of higher education which need special assistance in establishing and strengthening joint use facilities. Grants under this section, however, may only be used for books, periodicals, documents, magnetic tapes, phonograph records, audiovisual materials, and other related library materials (including necessary binding).

Subsection (b) provides that in order to obtain a special purpose grant for any year, an applicant would have to provide satisfactory assurance that it would expend during that year from other sources and for the same purposes for which the grant was made an amount equal to at least one-third of the amount of the grant, and that it would expend during that year for all library purposes (exclusive of construction) not less than the average annual amount it had expended for those purposes during the 2-year period which ended June 30, 1965.

Section 205. Advisory Council on College Library Resources: Under subsection (a), the Commissioner of Education must establish an Advisory Council on college library resources in the Office of Education. The Council will consist of the Commissioner, as chairman, and eight members appointed by the Commissioner with the approval of the Secretary and without regard to the civil service laws.

Subsection (b) provides that the Advisory Council will advise the Commissioner in establishing criteria for the making of supplemental grants under section 203 and special purpose grants under section 204. The Commissioner may appoint special advisory and technical experts and consultants who may be useful in carrying out the functions of the Council.

Under subsection (c), members of the Council, while serving on its business, will receive compensation at a rate to be fixed by the Secretary (but not to exceed \$100 per day, including travel time). While serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence.

Section 206. Accreditation requirement for purposes of this part: This section provides that, for the purposes of part A, if the Commissioner determines that there is satisfactory assurance that upon acquisition of the library resources with respect to which assistance under this part is sought, or upon acquisition of those resources and other library resources planned to be acquired within a reasonable time, an educational institution will meet the accrediting standards of a nationally recognized accrediting agency or association, the institution shall be deemed to have been accredited by such agency or association.

Section 207. Limitation: This section provides that no grant may be made by the

Commissioner under part A for the acquisition of books, periodicals, documents, or other related materials to be used in sectarian instruction or religious worship, or primarily in connection with any part of the program of a school or department of divinity. For purpose of this section, the term "school or department of divinity" means an institution, or a department or branch of an institution, whose program is specifically for the education of students to prepare them to become ministers of religion or to enter upon some other specifically religious vocation, or to prepare them to teach theological subjects.

Part B—Library training and research

Section 221. Appropriation authorized: This section authorizes the appropriation of \$7.5 million for the fiscal year ending June 30, 1966, and \$15 million for each of the 4 succeeding fiscal years, for carrying out the purposes of part B.

Section 222. Definition of "librarianship": For the purposes of part B, this section defines the term "librarianship" to mean the principles and practices of the library and information science (including acquisition, organization, storage, retrieval, and dissemination of information) and reference and research use of library and other information resources.

Section 223. Grants for training in librarianship: Subsection (a) authorizes the Commissioner to make grants to institutions of higher education to assist them in training persons in librarianship, including the training of specialists in the communication of information in the physical and social sciences. Grants made under this section may be used by such institutions to cover all or part of the cost of courses of training or study for such persons, and for establishing and maintaining fellowships or traineeships. Fellows and others undergoing training and their dependents will receive stipends (including allowances for traveling, subsistence, and other expenses) not in excess of such maximum amounts as may be prescribed by the Commissioner.

Subsection (b) provides that the Commissioner may make a grant under the section only upon application by an institution of higher education and only upon his finding that such program will substantially further the objective of increasing the opportunity, throughout the Nation, for training in librarianship.

Section 224. Research and demonstrations relating to libraries and the training of library personnel: Subsection (a) authorizes the Commissioner to make grants to institutions of higher education and other public or private nonprofit agencies, institutions, and organizations and to individuals, for research and demonstration projects relating to the improvement of libraries or of training in librarianship, and for the dissemination of information derived from such research and demonstrations. The Commissioner is also authorized to provide by contracts with public or private profit or nonprofit agencies, organizations, or institutions, or with individuals, for the conduct of such activities.

Subsection (b) authorizes the Commissioner to appoint special or technical advisory committees to advise him on matters of general policy concerning research and demonstration projects relating to the improvement of libraries and of training in librarianship.

Subsection (c) provides that the Commissioner shall appoint, from time to time, panels of experts competent to evaluate various types of research and demonstration projects under this section. The Commissioner shall obtain the advice and recommendations of such a panel before making a grant under this section.

Subsection (d) provides that members of any committee or panel appointed under this section who are not regular full-time em-

ployees of the United States shall be entitled to receive compensation at rates fixed by the Commissioner (but not to exceed \$100 per diem, including travel time) while serving on the business of such a committee or panel. They may, while serving away from their homes or regular places of business, also be allowed travel expenses (including per diem in lieu of subsistence).

Part C—Cataloging of library materials

Section 241. Authorization: This section authorizes appropriations to enable the Commissioner of Education to transfer funds to the Librarian of Congress for the purpose of insuring that the Library acquires all library materials which are of value to scholarship and of providing and distributing catalog and bibliographic information. Authorized to be appropriated for these purposes are \$5 million for fiscal year 1966, \$6.315 million for fiscal year 1967, and \$7.77 million for fiscal years 1968, 1969, and 1970.

TITLE III—STRENGTHENING DEVELOPING INSTITUTIONS

Section 301. Statement of purpose and appropriations authorized: Subsection (a) states that the purpose of title III is to assist in raising the academic quality of colleges which have both the desire and the potential to make a substantial contribution to our national resources in higher education, but which because of a lack of finances (and for other reasons) are struggling to survive and are isolated from the main currents of academic life. Title III seeks to raise the academic quality of these colleges by enabling the Commissioner to establish a national teaching fellow program and to assist in establishing cooperative arrangements under which these developing institutions may draw on the talent and experience of America's finest colleges and universities, and on the educational resources of business and industry.

Subsection (b) authorizes the appropriation of \$55 million for the fiscal year ending June 30, 1966, and \$60 million for each of the 4 succeeding fiscal years, to carry out the provisions of title III. Fifty million dollars of the sums authorized for each fiscal year would be divided equally between institutions which do intend and institutions which do not intend to award a bachelor's degree during that year, and the remaining \$5 million (\$10 million after 1966) would be allocated among these classes of institutions by the Commissioner.

Section 302. Definition of "developing institution": For the purposes of title III, this section defines the term "developing institution" to mean a public or nonprofit educational institution which—

(a) Admits as regular students only persons having a certificate of graduation from high school, or the recognized equivalent of such a certificate;

(b) Is legally authorized to provide and provides within the State an educational program for which it awards a bachelor's degree, or a 2-year program which is acceptable for full credit toward a bachelor's degree, or a 2-year program in engineering, mathematics, or the physical or biological sciences;

(c) Is accredited by a nationally recognized accrediting agency or association determined by the Commissioner to be reliable authority as to the quality of training offered or is, according to such an agency or association, making reasonable progress toward accreditation;

(d) Has met the requirements of (a), (b), and (c) during the 2 academic years preceding the academic year for which it seeks assistance;

(e) Is making a reasonable effort to improve the quality of its teaching and administrative staffs and of its student services;

(f) Is seriously handicapped in its efforts to improve such staffs and services by lack of financial resources and a shortage of qualified professional personnel;

(g) Meets such other requirements as the Commissioner may prescribe by regulation; and

(h) Is not an institution, or department or branch of an institution, whose program is specifically for the education of students to prepare them to become ministers of religion or to enter upon some other religious vocation, or to prepare them to teach theological subjects.

Section 303. Advisory Council on Developing Institutions: Under subsection (a) the Commissioner must establish an Advisory Council on Developing Institutions in the Office of Education. The Council will consist of the Commissioner (who will be Chairman), a representative from each Federal agency which has responsibility with respect to developing institutions and which may be designated by the Commissioner, and eight other members appointed, without regard to the civil service laws, by the Commissioner with the approval of the Secretary.

Subsection (b) provides that the Council will advise the Commissioner on policy matters arising in the administration of title III, and shall particularly assist the Commissioner in identifying those developing institutions through which the purposes of title III can best be achieved, and in the establishment of priorities to be used in approving applications under title III. The Commissioner may appoint special advisory and technical experts and consultant to assist the Council in discharging its functions.

Subsection (c) provides that those members of the Council who are not regular full-time employees of the United States shall, while serving on the business of the Council, be entitled to receive compensation at rates fixed by the Secretary of Health, Education, and Welfare, but not exceeding \$100 per day, including travel time. While serving away from their homes or regular places of business, members may be allowed travel expenses, including per diem in lieu of subsistence.

Section 304. Grants for cooperative agreements to strengthen developing institutions: Subsection (a) authorizes the Commissioner to make grants to developing institutions as well as to other colleges and universities to pay for a part of the cost of planning, developing, and carrying out cooperative arrangements which promise to be effective as measures for strengthening the academic programs and the administration of developing institutions. The cooperative arrangements themselves may be between developing institutions or between developing institutions and other colleges and universities or organizations, agencies and business entities. This subsection further suggests, as types of projects and activities for which such grants may be used—

1. Exchange of faculty or students, including arrangements for bringing visiting scholars to developing institutions;

2. Faculty and administration improvement programs utilizing training, education (including fellowships leading to advanced degrees), internships, research participation, and other means;

3. Introduction of new curriculums and curricular materials;

4. Development and operation of cooperative education programs involving alternate periods of academic study and business or public employment;

5. Joint use of facilities such as libraries or laboratories, including necessary books, materials, and equipment; and

6. Other arrangements which offer promise of strengthening the academic programs and the administration of developing institutions.

Subsection (b) provides that a grant under this section may be made only upon application to the Commissioner submitted at such time or times and containing such information as the Commissioner deems necessary.

The Commissioner shall not approve an application unless it—

1. Sets forth a program for carrying out one or more projects or activities which meet the requirements of subsection (a) and provides for proper and efficient methods of administration;

2. Sets forth policies and procedures which assure that Federal funds granted under the section in any fiscal year will be used, not to supplant, but to supplement and (to the extent practical) increase the funds that would in the absence of such Federal funds be made available for the purposes of subsection (a);

3. Provides for necessary fiscal control and fund accounting procedures; and

4. Provides for such reports as the Commissioner may require to carry out his functions under the title.

Subsection (c) requires the Commissioner to consult with the Advisory Council and then to establish criteria for eligible expenditures for which grants made under the section may be used. These criteria shall be designed to prevent the use of such grants for expenditures unnecessary to achieve the purposes of the part.

Section 305. National teaching fellowships: Under subsection (a), the Commissioner is authorized to award fellowships to encourage highly qualified graduate students and junior members of the faculty of colleges and universities to teach at developing institutions. The Commissioner shall award such fellowships only upon application by an institution approved by him for this purpose, and only upon a finding by him that the program of teaching set forth in the application is reasonable in the light of the qualifications of the teaching fellow and of the educational needs of the applicant.

Subsection (b) provides that these fellowships may be awarded for such period of teaching, not to exceed 2 academic years or extend beyond June 30, 1970, as the Commissioner may determine. A fellowship under the provisions of this section shall consist of a stipend for each academic year of teaching of \$6,500 or less, as determined by the Commissioner upon the advice of the Council, plus \$400 for each year on account of each of his dependents.

TITLE IV—STUDENT ASSISTANCE

Part A—Undergraduate scholarships

Section 401. Statement of purpose and appropriations authorized: Subsection (a) states that the purpose of the part is to provide scholarships, through institutions of higher education and State scholarship programs to qualified high school graduates from low-income families who for lack of financial means would be unable to obtain the benefits of higher education without such aid. Subsection (a) also states that it is the purpose of Congress to encourage educational institutions to use work-study and loan programs and any other means of student aid available to them to supplement scholarship aid under the part.

Subsection (b) authorizes \$70 million to be appropriated for the fiscal year ending June 30, 1966, and such sums as may be necessary for each of the 4 succeeding fiscal years, to enable the Commissioner to make payments to institutions for use by them in making payments to students for the initial year of scholarships awarded to them, and for defraying part of the cost of the cooperative motivational program for high-school students described in section 407(a)(5), and to make payments to States for State scholarship programs. Also authorized to be appropriated, for the year ending June 30, 1967, and each of the 6 succeeding fiscal years, are such sums as may be necessary for institutions to make scholarship payments under the part to students for years other than the initial year of their scholarship. Appropriated funds will be available for payment un-

til the close of the fiscal year succeeding the fiscal year for which they were appropriated.

Section 402. Amount of scholarship—annual determinations: An institution which awards a scholarship to a student under the part will, for the duration of the scholarship, pay to the student for each academic year during which he is in need of scholarship aid, an amount (not in excess of \$800, or \$1,000 for a student in the upper half of his college class) determined by the institution to be required by the student to pursue his educational program during that year. If the amount so determined is less than \$200, no payment shall be made to the student for that year. To guide participating institutions, the Commissioner will prescribe basic criteria or schedules for the determination of the scholarship amounts. These criteria or schedules will take into account the objective of limiting scholarship aid under the part to students from low-income families, and other factors that the Commissioner deems relevant.

Section 403. Duration of scholarship: The duration of a scholarship will be the period, not in excess of 4 years, required by the recipient to complete his undergraduate course of study at the institution awarding the scholarship. A scholarship will entitle the recipient to payments only if he (1) is maintaining satisfactory progress in the course of study which he is pursuing, and (2) is devoting essentially full time to that course of study.

Section 404. Selection of recipients of scholarships: Subsection (a) provides that an individual will be eligible for a scholarship if he is from a low-income family and applies to an eligible institution at the time and in the manner prescribed by it.

Subsection (b) provides that the institution will select individuals who are to be awarded scholarships and determine, pursuant to section 402, the amounts to be paid to them. No institution will award a scholarship to an individual unless it determines that (1) he is in need of the scholarship to pursue a course of study at the institution, (2) he is capable of maintaining good standing in such course of study, and (3) he has been accepted for enrollment as a full-time student at the institution or, in the case of a student already attending the institution, is in good standing and full-time attendance there as an undergraduate student.

Section 405. Apportionment of scholarship funds among States: Subsection (a) provides for the apportionment of funds appropriated for making initial year payments to scholarship recipients and for the cooperative motivational program described in section 407(a)(5). The Commissioner will apportion an amount equal to not more than 2 percent of these funds among Puerto Rico, Guam, American Samoa, and the Virgin Islands according to their respective needs for assistance under this part. The remainder of such funds will be apportioned among the States of the Union and the District of Columbia as follows:

(a) One-third will be apportioned on the basis of the number of students in institutions of higher education in each State and the District of Columbia;

(b) One-third will be apportioned on the basis of the number of secondary school graduates in each State and the District of Columbia; and

(c) One-third will be apportioned on the basis of the number of related children in each State and in the District of Columbia who are under 18 years of age and are living in families with annual incomes of less than \$3,000.

The Commissioner could reapportion any part of a State's apportionment not required by that State.

Subsection (b) provides that sums appropriated for making other than initial year

payments to scholarship recipients will be apportioned among the States in such manner as the Commissioner determines to be necessary to carry out the purposes for which these sums were appropriated.

Section 406. Allocation of apportioned funds to institutions and for State scholarship plans: Subsection (a) provides that the Commissioner will allocate funds among institutions within a State in accordance with criteria established by the Commissioner to achieve an equitable distribution of the funds among these institutions.

Subsection (b) provides that upon request from the Governor of any State, up to 15 percent of that State's apportionment for any fiscal year shall be paid to that State for use in granting scholarships to students in institutions of higher education. The State would have to contribute an equal amount of new money for the same purpose, and the scholarships provided with the Federal funds and the State matching funds would have to be granted on the same basis of need, and on substantially the same basis in other respects, as applies to scholarships granted by institutions of higher education under this part.

Section 407. Agreements with institutions—conditions: Subsection (a) states that an institution of higher education which desires to obtain scholarship funds under the part must enter into an agreement with the Commissioner under this part. This agreement must (1) provide that funds received by the institution under the part will be used by it only in accordance with the provisions of this part; (2) provide that in determining whether an individual is an eligible student from a low-income family the institution will make an appropriate review of the financial status of that individual and of any individual upon whom the student relies primarily for his support; (3) provide that in the selection of students to receive scholarships under this part preference will be given to students who are beginning their first year of undergraduate study, and to students who are transferring from a 2- to a 4-year institution of higher education; (4) provide that the institution will, where appropriate, combine financial assistance in the form of loans, work-study opportunities, and scholarships under this part, in an effort to meet the full financial needs of students from low-income families; (5) provide that the institution, in cooperation with other institutions of higher education where appropriate, will make vigorous efforts to identify qualified youths from low-income families and to encourage them to continue their education beyond secondary school through activities such as establishing or strengthening close working relationships with secondary school principals and guidance personnel and making, to the extent feasible, tentative commitments for scholarships to qualified students enrolled in grade 11 and lower grades and to secondary school dropouts who have a demonstrated aptitude for college study; (6) provide assurance that the institution will not reduce its own scholarship efforts, and will continue to spend in its own scholarship and student aid program, from sources other than funds received under this part, not less than the average expenditure per year made for that purpose during the most recent period of 3 fiscal years preceding the effective date of the agreement; (7) include provisions designed to make scholarships available (to the extent of available funds) to all eligible students in the institution in need thereof; and (8) include such other provisions as may be necessary to protect the financial interest of the United States and promote the purposes of the part.

Subsection (b) provides that an institution may spend for the administration of the program described in paragraph (5) of subsection (a) up to 5 percent of the funds appropriated pursuant to the first sentence of

section 401(b) and paid to it for any fiscal year ending prior to July 1, 1970.

Section 408. Contracts to encourage full utilization of education talent: This section authorizes the Commissioner to enter into contracts, not to exceed \$100,000 per year, with State and local educational agencies and other public or nonprofit organizations and institutions for the purpose of (a) identifying qualified youths from low-income families and encouraging them to complete secondary school and undertake post-secondary educational training, (b) publicizing existing forms of student financial aid, including scholarship aid furnished under the part, and (c) encouraging secondary-school dropouts of demonstrated aptitude to reenter educational programs, including postsecondary school programs. This section also authorizes appropriations of such sums as may be necessary to carry out these objectives.

Section 409. Definition of "academic year": This section states that as used in the part, the term "academic year" means an academic year or its equivalent as defined in regulations of the Commissioner.

Part B—Federal, State, and private programs of low-interest insured loans to students in institutions of higher education

Section 421. Statement of purpose and appropriations authorized: Subsection (a) of this section states that it is the purpose of this part to enable the Commissioner (1) to encourage States and nonprofit institutions and organizations to establish adequate insurance programs for students in eligible institutions, (2) to provide a Federal program of student loan insurance for students who do not have reasonable access to a State or private nonprofit student loan insurance program, and (3) to pay a portion of the interest on certain student loans insured under this part or under certain State or private loan insurance programs. "Eligible institution" is defined in section 435.

Subsection (b) of this section authorizes the appropriation (1) of \$1 million, plus such further sums as may be necessary, for the establishment of a student loan fund, (2) of such sums as may be necessary to make interest payments on insured loans under section 428, and (3) of \$17.5 million to make advances under section 422 to State and nonprofit private student loan insurance reserve funds.

Section 422. Advances for reserve funds of State and nonprofit private loan insurance programs: Subsection (a) of this section authorizes the Commissioner to make repayable advances to any State with which he has made an agreement pursuant to section 428(b), for the purpose of helping to establish or strengthen the reserve fund of the student loan insurance program covered by that agreement. If a State will not have a student loan insurance program covered by an agreement under section 428(b)—as determined for each of the fiscal years 1966, 1967, and 1968—then for any such year advances could be made to one or more nonprofit private programs to cover students in that State. Advances could be made to both State and private funds if necessary in order to assure that students at every eligible institution have access through such institution to a student loan insurance program. Advances and repayments under this subsection will be upon terms and conditions prescribed by the Commissioner.

The \$17.5 million authorized for advances to State and nonprofit private programs under subsection (a) is to be allocated among the States in proportion to their population aged 18 to 22, inclusive, but with no State receiving less than \$25,000.

Section 423. Effect of adequate non-Federal programs: This section prohibits the Commissioner from issuing insurance certificates to lenders in a State when he determines that every eligible institution has reasonable access in that State to either a

State or private nonprofit student loan insurance program covered by an agreement under section 428(b).

Section 424. Scope and duration of loan insurance program: Subsection (a) limits the total principal amount of new loans made (and installments paid pursuant to lines of credit) to students covered by insurance under this part to \$700 million in the fiscal year ending in 1966, \$1 billion in the fiscal year ending in 1967, and \$1,400 million in the fiscal year ending in 1968. Thereafter, insurance under this part may be granted only for loans made (or for loan installments paid pursuant to lines of credit) to enable students, who have obtained prior loans insured under this part, to continue or complete their educational program; but no insurance may be granted for any loan made or installment paid after June 30, 1972.

Subsection (b) permits the Commissioner to assign insurance quotas to States, areas, or eligible lenders.

Section 425. Limitations on individual loans and on insurance: Subsection (a) of this section limits the amount of insured loans made to a student to \$1,500 per year in the case of a graduate or professional student, and to \$1,000 per year in the case of any other student. The overall amount of insurance on the unpaid principal of loans may not at any time exceed \$7,500 in the case of a graduate or professional student, or \$5,000 for any other student. Under subsection (b) the liability of the United States on an insured loan is limited to the amount of unpaid principal and does not extend to accrued interest.

Section 426. Sources of funds: This section permits insurance of loans made from funds held in trust or a similar capacity.

Section 427. Eligibility of student borrowers and terms of student loans: Subsection (a) of this section provides that loans are insurable only if they meet the following conditions: The borrower must be accepted for enrollment or be in good standing at an eligible institution, must carry at least half of the normal full-time workload, and must provide the lender with the institutions statement of tuition, fees, and estimated room and board.

The loan must be evidenced by an unsecured note, which may be required to be endorsed only if necessary to create a binding obligation. The note must provide for repayment within 15 years of its execution in installments during a period of 5 to 10 years beginning between 9 months and 1 year after the student ceases to carry half of the normal full-time workload at an eligible institution.

Interest on the loan cannot exceed the rate prescribed by the Commissioner for the geographic area, and is payable over the period of the loan unless the note provides for deferral of interest not paid under section 428 until the first payment of principal. The lender must agree not to try to collect from the borrower interest payable by the Commissioner under section 428. The note must permit the borrower to accelerate repayment.

Subsection (b) limits the interest rate on insured loans to 6 percent, except that under certain exceptional circumstances the rate may be as high as 7 percent.

Subsection (c) requires a minimum annual repayment by a borrower on all of his loans insured by the Commissioner under this part of \$360 or his outstanding balance, whichever is less.

Section 428. Federal payments to reduce student interest costs: This section directs the Commissioner to make payments to holders of insured student loans to reduce student interest costs. Each student whose adjusted family income is less than \$15,000, and who has received a loan insured under this part, or under a State or nonprofit private program meeting required standards, will be entitled to have paid on his behalf to the holder of the loan, over the period of the loan, a portion of the interest on the loan. In order to entitle student borrowers

to the benefit of the interest subsidy with respect to loans insured by any State or private nonprofit program, such program must, after June 30, 1967, have an agreement meeting all of the requirements provided in section 428(b) concerning the terms of the loan insurance program. During the transitional period prior to July 1, 1967, such program must only meet the standards limiting the interest rate to no higher than 6 percent yearly on the unpaid principal balance of the loan and the provision that repayment of the insured loans shall not be required to begin earlier than 60 days after the student ceases to pursue his course of study at an eligible institution. (Adjusted family income will be determined as of the time of execution of the loan note and will be determined under regulations of the Commissioner which will take into account appropriate factors such as family size.)

The payment a student is entitled to have made on his behalf under this section will, during the period which precedes the repayment period of the loan, be equal to the total amount of the interest which accrues prior to the beginning of the repayment period, and will, during the repayment period, be equal to 3 percent per annum of the unpaid principal amount of the loan. However, the payment may not exceed, for any period, the amount of the interest, which (but for such payment) would be actually payable by the student, taking into consideration interest payments on his behalf for that period under any State or private loan insurance program. The holder of an insured loan will have a contractual right, as against the United States, to be paid by the Commissioner the portion of interest which has been determined under this section. The Commissioner will prescribe the manner of payment and the form of certain reports to be made by the holder of the loan.

Subsection (b) of this section sets forth the conditions under which students whose loans are insured under State or private programs will receive payments to reduce their interest costs under this section. Any State or any nonprofit private institution or organization which has a student loan insurance program may enter into an agreement with the Commissioner to permit students who receive loans which are insured under its program to have made on their behalf payments under subsection (a), if the Commissioner determines that the insurance program—

(A) Authorizes the insurance of up to \$1,000 but not more than \$1,500 in loans per student per academic year;

(B) Authorizes the insurance of loans to any individual student for at least 6 academic years of study;

(C) Provides that (i) the student borrower may accelerate without penalty the whole or any part of an insured loan, (ii) the period of any insured loan may not exceed 15 years from the date of execution of the note evidencing of the loan, and (iii) the note contain certain default provisions prescribed by the Commissioner's regulations;

(D) Subject to the preceding subparagraph, provides that, if a student's insured loans held by any one person exceed \$2,000, then repayment of such loans will be in installments over a period of not less than 5 years nor more than 10 years beginning between 9 months and 1 year after the student ceases to pursue a full-time course of study at an eligible institution (except that if the program provides for the insurance of loans for part-time study at eligible institutions, the repayment period will begin between 9 months and 1 year after the student ceases to carry at least one-half the normal full-time academic workload);

(E) Limits interest (exclusive of the insurance premium) to 6 percent per annum on the unpaid principal balance of the loan;

(F) Insures at least 90 percent of the un-

paid principal of loans insured under the program;

(G) Does not provide for collection of an excessive insurance premium;

(H) Provides that the benefits of the loan insurance program will not be denied any student because of his family income or lack of need, if his adjusted family income is less than \$15,000;

(I) Provides that a student may obtain insurance under the program for a loan for any year of study at an eligible institution; and

(J) Provides, in the case of a State program, that the program will be administered by a single State agency, or by one or more nonprofit private institutions or organizations under the supervision of such an agency.

Agreements under this subsection will require reports and have certain other provisions necessary to carry out this part.

Section 429. Certificates of insurance—effective date of insurance: This section details the method by which an eligible lender obtains insurance on a student loan. Subsection (a) provides that loans which meet the requirements of the act may be insured after they are made, on application by the lender, but that the Commissioner on application may make an advance commitment to insure a proposed loan or line of credit. Subsection (b) prescribes another alternative under which the Commissioner may issue to eligible lenders certificates of comprehensive insurance coverage which would insure all insurable loans made by a lender during a period and up to an amount specified in the certificate. Subsection (c) authorizes the Commissioner to charge a yearly insurance premium of up to one-fourth of 1 percent of the unpaid balance of the principal of an insured loan.

Subsections (d) and (e) relate to assignment and consolidation of insured obligations.

Section 430. Procedure on default, death, or disability of student: This section sets out the procedure by which eligible lenders (and their assignees) collect any amounts for which the United States is liable by reason of the default, death, or disability of the borrower. The Commissioner may forebear his collection rights (under the subrogation provisions of the section) in the case of deceased or disabled borrowers.

Section 431. Insurance fund: This section establishes a student loan insurance fund into which will be deposited amounts appropriated under the authority of section 421 (b) (1), insurance premiums, and amounts recovered by the Commissioner from defaulted borrowers. All payments in connection with the default of loans insured under the act will be paid from the fund, and in the event that the moneys in the fund are not sufficient to make such payments the Commissioner may obtain additional moneys by issuing to the Secretary of the Treasury notes or other obligations as a public debt transaction.

Section 432. Legal powers and responsibilities: This section authorizes the Commissioner, in carrying out the act, to make regulations, sue and be sued, prescribe and modify the terms of insurance contracts, permit the modification of student loan agreements, and to settle insurance claims. The Commissioner's financial operations are subject to the Government Corporation Control Act.

Section 433. Advisory Council on Insured Loans to Students: This section requires the Secretary of Health, Education, and Welfare to establish in the Office of Education an Advisory Council on Insured Loans to Students. The Council would consist of the Commissioner, who would be chairman, and eight other members, including persons representing State and private nonprofit loan insurance programs, financial and credit in-

stitutions, and institutions of higher education. The Council would advise the Commissioner in the preparation of general regulations, and with respect to policy matters arising in the administration of this part.

Section 434. Participation by Federal credit unions in Federal, State, and private student loan insurance programs: This section permits Federal credit unions to use up to 10 percent of their assets for making to their members student loans insured under this part or under certain State or private loan insurance programs.

Section 435. Definitions for reduced-interest student loan insurance program: This section defines, for purposes of this part, the term "eligible institution," "eligible lender," and "line of credit."

Part C—College work-study program extension and amendments

Section 441. Transfer of authority and other amendments: Section 441 amends parts C and D of title I of the Economic Opportunity Act of 1964 and (1) transfers authority to administer the work-study program under part C from the Director of the Office of Economic Opportunity to the Commissioner of Education; (2) restates the statement of purpose pertaining to the work-study program (sec. 121) to provide that the purpose of the program is to stimulate and promote the part-time employment of students, particularly from low-income families, in institutions of higher education who are in need of the earnings from such employment to pursue courses of study at such institutions (the present program is solely for students from low-income families); (3) revises section 123 of the act to adopt the definition of "institution of higher education" which is proposed in section 461 of the bill for the National Defense Education Act of 1958 (the present work-study program adopts the definition used in the Higher Education Facilities Act of 1963); (4) revises section 124(a) of the act to apply, in substance, the same requirements to work for an institution of higher education as are applied to work for a public or private nonprofit organization; (5) revises clause (c) of section 124 to require that agreements provide that, in the selection of students for employment, preference is to be given to students from low-income families; (6) adds to section 125 (which permits institutions to draw from any source other than Federal work-study payments for paying their share of the compensation of students under work-study programs) authority for institutions to pay their share to students in the form of services and equipment (including tuition, room, board, and books) furnished by such institutions; and (7) makes a clarifying change, necessitated by the transfer of the work-study program, with respect to the authorization of appropriations provided for in section 131 (part D) of the Economic Opportunity Act of 1964.

Section 442. Appropriations authorized: Section 442 authorizes the appropriation of \$129 million for the fiscal year 1966, \$165 million for fiscal year 1967, \$200 million for fiscal year 1968, and \$235 million each for fiscal years 1969 and 1970, to carry out college work-study programs. This section also contains certain technical provisions necessitated by the transfer of responsibility for the program to the Office of Education.

Part D—Amendments to National Defense Education Act of 1958

Section 461. Definition of institution of higher education: Section 461 amends section 103(b) of the National Defense Education Act with respect to the definition of "institution of higher education." In the case of an institution which is not accredited by a nationally recognized accrediting agency approved by the Commissioner for this purpose, a new provision states that the institution may meet the accreditation stand-

ards of the act if the Commissioner has determined that there is satisfactory assurance that it will meet the standards of such an agency or association within a reasonable time. Section 103(b) is also amended to provide that, for purposes of title II, certain nonprofit schools which provide not less than a 1-year program of training to prepare students for gainful employment in a recognized occupation are to be treated as institutions of higher education. Section 103(b), as amended by this section, also confers additional authority upon the Commissioner, in cases where he has determined that a particular category of schools does not meet the accreditation requirements because there is no nationally recognized accrediting agency or association qualified to accredit schools in such category, to appoint advisory committees to (i) prescribe standards to be met in order to qualify such schools to participate in the student loan program under title II, and (ii) to determine whether these schools meet those standards.

Section 462. Conditions of agreements; administrative costs: Section 462 amends clause (3) of section 204 of the National Defense Education Act to require that agreements between the Commissioner and institutions participating in the loan program provide that student loan funds may be used for routine expenses (within specified limits) incurred by the institution in administering the student loan fund, and for collection costs (in addition to costs of litigation) agreed to by the Commissioner.

Section 463. Technical amendment for part-time students: Subsection (a) of this section amends section 205(b)(2) of the National Defense Education Act to authorize institutions to determine whether loans shall be repaid in equal (or if the borrower requests, in graduated periodic installments determined in accordance with schedules approved by the Commissioner) quarterly, bi-monthly, or monthly installments. It also amends section 205(b)(2) to provide that repayment of principal, together with interest, is to commence 9 months after the date on which the borrower ceases to carry at least half the normal full-time academic workload, and end 10 years and 9 months after such date except that interest shall not accrue and no installment need be paid while the borrower is carrying (at an institution of higher education or comparable institution outside the States, approved for this purpose by the Commissioner) at least one-half the normal full-time academic workload, as determined by the institution.

Subsection (b) of this section makes minor conforming amendments to clause (D) of section 205(b)(2).

Subsection (c) of this section provides that the amendments made by section 463 shall apply to loans outstanding on the date of enactment only with the consent of the borrower and the lending institution.

Section 464. Minimum rate of repayment: Subsection (a) of this section amends section 205(b)(2) of the National Defense Education Act to authorize institutions to require that the rate of repayment by a borrower on all title II loans extended him must be not less than \$15 per month.

Subsection (b) provides that the amendment made by section 464 shall be applicable only with respect to loans made after the date of enactment.

Section 465. Cancellation of loans for teachers: Subsection (a) of this section amends section 205(b)(3) of the National Defense Education Act in three respects: First, to provide that the portion of the loans to be forgiven teachers is to be calculated as a percentage of the original total of the loans in question rather than, as the law now provides, of the amount of the loan remaining unpaid on the first day of service as a teacher; second, to provide that the prescribed portions of the loan to be forgiven

shall be forgiven for each academic year "or its equivalent"; and third, to provide that the cancellation rate for teachers shall be 15 percent for each complete academic year, or its equivalent, of service as a full-time teacher in a public or other nonprofit elementary or secondary school which is in the school district of a local educational agency eligible in such year for assistance under title II (financial assistance to local educational agencies for the education of children of low-income families) of Public Law 874, 81st Congress, and which has been determined to be a school in which there is a high concentration of students from low-income families. For purposes of such cancellation, an additional 50 percent of any loan (plus interest) may be canceled.

Subsection (b) sets forth the effective dates of the three amendments made by subsection (a).

Section 466. Charges: Subsection (a) of section 466 amends section 205 of the National Defense Education Act by adding a new subsection (c) to authorize institutions to assess charges against borrowers who fail to pay all or any part of an installment when due, and against borrowers who are entitled to deferment benefits or cancellation benefits but who fail to file timely and satisfactory evidence of such entitlement. Such charges may amount to \$1 for the first month of delinquency and \$2 each month thereafter, except that for bimonthly or quarterly repayment intervals, the charge may be \$3 and \$6, respectively. Institutions would be authorized to elect whether to add these charges to the principal amount of loans as of the first day after the day on which such installment or evidence was due, or to make the amount of the charge payable to the institution not later than the due date of the next installment after receipt by the borrower of notice of the assessment of the charge.

Subsection (b) of the section amends section 204(2) of the National Defense Education Act to conform to the amendment.

Subsection (c) provides that the amendment made by subsection (a) is applicable only with respect to loans made after the date of enactment.

Section 467. Economics, civics, and industrial arts: Subsection (a) of this section amends clauses (1) and (5) of section 303(a) of the National Defense Education Act pertaining to State plans under which financial assistance is extended for strengthening instruction in science, mathematics, modern foreign languages and other critical subjects, to include "economics" among subjects which may be included in programs by State educational agencies. Subsection (a) also authorizes increased appropriations (from \$90 to \$100 million) for fiscal years 1966, 1967, and 1968 for carrying out title III of the National Defense Education Act.

Subsection (b) of section 467 amends section 1101 of the National Defense Education Act (authorizing short-term or regular session institutes for advanced study) to provide for the authorization of \$50 million (rather than \$32,750,000) for fiscal 1966 and for each of the 2 succeeding years. It also amends section 1101 to expand the categories of eligible support to include institutes to improve the qualification of individuals who are engaged in or preparing to engage in the teaching or the supervising or training of teachers, of economics, civics, and industrial arts.

TITLE V—TEACHER PROGRAMS

Part A—General provisions

Section 501. Advisory Council on Teacher Preparation: Subsection (a) of this section provides that the Commissioner shall establish an Advisory Council on Teacher Preparation in the Office of Education. The Commissioner will be Chairman of the Council, and he will appoint (with the approval of

the Secretary) the 12 members of the Council. Such 12 members shall include persons knowledgeable with respect to teacher preparation and the needs of urban and rural schools. The purpose of the Council will be to review the administration and operation of the programs carried out under this title and under all other Federal programs for complementary purposes.

Subsection (b) provides for compensation of Council members who are not regular full-time employees of the United States.

Subsection (c) allows the Council to appoint an Executive Secretary and such other employees as it deems necessary to carry out its functions under this part.

Section 502. Limitation: This section provides that nothing contained in this title shall be construed to authorize the making of any payment under this title for religious worship or instruction.

Part B—National Teacher Corps

Section 511. Statement of purpose and authorization of appropriations: Subsection (a) states that it is the purpose of this part to improve the educational opportunities available to children in areas having a concentration of low-income families, and at the same time to encourage the development of broader programs of teacher preparation in colleges and universities, by attracting and training both qualified teachers and inexperienced teacher-interns who will be made available to local educational agencies in low-income areas.

Subsection (b), for the purpose of carrying out this part; authorizes the appropriation of \$36,100,000 for the fiscal year ending June 30, 1966, and \$64,715,000 for the fiscal year ending June 30, 1967, and for each of the 4 succeeding fiscal years.

Section 512. Establishment of National Teachers Corps: A National Teacher Corps, to be headed by a Director who shall be compensated at the rate prescribed for grade 17 of the General Schedule of the Classification Act of 1949, and a Deputy Director who shall be compensated at the rate prescribed for grade 16, is established in the Office of Education in order to carry out the purposes of this part.

Section 513. Teacher Corps program: Subsection (a) authorizes the Commissioner to (1) recruit, select, and enroll both experienced teachers and inexperienced teacher-interns (who have a bachelor's degree or its equivalent) in the Teacher Corps for periods of up to 2 years; (2) enter into arrangements with institutions of higher education or State or local educational agencies to provide members of the Teacher Corps with appropriate training, including a maximum of 3 months training before undertaking their teaching duties; (3) enter into arrangements (including the payment of cost of such arrangements) with local educational agencies to furnish experienced teachers and teaching teams (consisting of one experienced teacher and a number of teacher-interns) for service during regular or summer sessions, or both, in the schools of such agencies in areas having concentrations of children from low-income families, and under which arrangements teacher-interns shall be afforded time by the local educational agency for a teacher-intern training program carried out under the guidance of the experienced teacher in cooperation with an institution of higher education; (4) pay to local educational agencies the amount of compensation which such agencies pay to members of the Teacher Corps assigned to them; and (5) employ experts and consultants or organizations thereof to assist the Commissioner in carrying out his functions under this part.

Subsection (b) provides that, wherever possible, arrangements with institutions of higher education to furnish training to teacher-interns while such interns are teaching, shall provide for training leading to a graduate degree.

Subsection (c) provides that when the demand for the services of Teacher Corps members exceeds the supply, the Commissioner shall, to the extent practicable, allocate those members available among the States in proportion to the number of children counted in each State for the purpose of making basic grants under title II of Public Law 874, 81st Congress, as amended, for the fiscal year for which such allocation is made.

Subsection (d) provides that Teacher Corps members may be utilized by a local educational agency to provide educational services available to children enrolled in private elementary and secondary schools, in the manner described in section 205(a)(2) of Public Law 874, 81st Congress, as amended.

Section 514. Compensation: Subsection (a) requires that an arrangement with a local educational agency shall provide that Teacher Corps members shall be compensated by that agency at the following rates: (1) Experienced teachers shall receive pay equivalent to that received by teachers with similar training experience and duties who are employed by the local educational agency, (2) experienced teachers leading teaching teams are to be compensated at a rate agreed upon by the Commissioner and the agency, and (3) teacher-interns will be compensated at the lowest rate paid by such agency for full-time teaching in the school system and grade to which the intern is assigned.

Subsection (b) authorizes the Commissioner to pay stipends to Teacher Corps members while such members are in training. Such payments may include allowances for subsistence and other expenses for such members and their dependents, and are to be consistent with prevailing practices under comparable federally supported training programs.

Subsection (c) authorizes the Commissioner to pay certain necessary expenses of Teacher Corps members, including travel, transportation of household goods, and readjustment allowances proportionate to service.

Subsection (d) authorizes the Commissioner to arrange to protect the tenure, retirement rights, and similar employee benefits of any Teacher Corps member who wishes to return to the local educational agency or institution of higher education by which he was employed immediately prior to his service in the Corps.

Section 515. Application of provisions of Federal law: Subsection (a). A Teacher Corps member is not to be deemed a Federal employee, except as is otherwise specifically provided in this section, and is not subject to those provisions of law relating to Federal employment.

Subsection (b) provides, however, that Teacher Corps members shall be deemed to be Federal civil employees within the meaning of section 40 of the Federal Employees' Compensation Act (5 U.S.C. 790) for the purposes of the administration of that act, and the provisions of that act shall apply except as hereinafter provided. For purposes of this subsection the term "performance of duty" in the Federal Employees' Compensation Act shall not include any act of a member of the Teacher Corps while on authorized leave, or while absent from his assigned post of duty, except while participating in an activity authorized by the Commissioner. In computing compensation benefits for disability or death under the Federal Employees' Compensation Act, the monthly pay of a member of the Teachers Corps shall be deemed to be his actual pay or that received under the entrance salary for GS-6, whichever is greater.

Subsection (c) provides that members of the Teacher Corps shall be deemed to be

employees of the Government for the purposes of the Federal Tort Claims Act.

Section 516. Local control preserved: Members of the Teacher Corps shall be under the direct supervision of the local educational agencies to which they are assigned, and such agencies shall retain the authority to assign such members within their systems, make transfers within their systems, determine the subject matter to be taught, and determine the terms and continuance of the assignment of such members within their systems.

Section 517. Maintenance of effort: No member of the Teacher Corps may be used by any local educational agency to replace any teacher who is or would otherwise be employed by such agency.

Part C—Fellowships for teachers

Section 521. Statement of purpose: The purpose of this part is to provide opportunities for advanced training, particularly in substantive field areas, for teachers and personnel serving in ancillary fields.

Section 522. Fellowships authorized: Subsection (a) authorizes the Commissioner to award fellowships for graduate study leading to a masters or equivalent degree, either in education or in the subject matter which the recipient is or will be teaching in elementary, secondary, or postsecondary vocational schools. Such fellowships may also be awarded in fields ancillary to elementary, secondary, and postsecondary vocational education. These fellowships may be for a period not exceeding 2 academic years. The Commissioner is authorized to award 4,500 fellowships for fiscal year 1966, 10,000 fellowships for fiscal year 1967, and 15,000 fellowships for fiscal year 1968 and each of the 2 succeeding fiscal years.

Subsection (b) further authorizes the Commissioner to award, in addition to the number of fellowships authorized for any particular fiscal year, a number of fellowships equal to those previously awarded but vacated. Each such fellowship shall be for a period of study equal to that remaining in the fellowship which it replaces.

Section 523. Fellowships for recent graduates: An institution of higher education may recommend for a fellowship any of its graduates who has received a bachelor's degree with high standing within 6 months preceding such recommendation. The Commissioner shall award 40 percent of the fellowships authorized by this part to such persons.

Section 524. Fellowships for experienced teachers: The remaining 60 percent of the fellowships authorized under this part are to go to persons who have had 5 years or more of professional experience. Such persons must be recommended by a local educational agency or a private school authority, and the agency or authority must agree to rehire the individual upon completion of the course of study under the fellowship.

Section 525. Fellowships in ancillary fields: This section requires that between 20 and 25 percent of the fellowships awarded under sections 523 and 524 will be given to persons who wish to do graduate work in fields ancillary to elementary, secondary, or postsecondary vocational education, such as library science or school social work.

Section 526. Fellowships for displaced experienced teachers: This section provides that the Commissioner may award, without regard to the requirements with respect to recommendations and agreements to rehire, up to 20 percent of the fellowships awarded under section 524 to persons who have been displaced in their employment as professional employees of local educational agencies as a result of changes of school populations brought about by the enforcement of

the Civil Rights Act of 1964, or by any other action, whether voluntary or under court order, which helps to achieve the purpose of that act.

Section 527. Distribution of fellowships: The Commissioner shall endeavor to distribute these fellowships equitably throughout the Nation, and he shall give preference in such awards to persons already serving, or intending to serve, in low-income areas.

Section 528. Stipends: Subsection (a) provides that a fellowship awarded under section 523 (for recent graduates) carries a stipend of \$2,000 for the first academic year and \$2,200 for the second year. A section 524 fellowship (for experienced teachers) carries a stipend of \$4,800 for each academic year of study. An additional \$400 per year shall be paid to each fellowship recipient for each of his dependents.

Subsection (b) authorizes the payment of \$3,000 per academic year to the institution of higher education where a recipient of a fellowship is studying. This amount will be less any amount charged any such recipient for tuition.

Under subsection (c) the Commissioner is authorized to reimburse a fellowship recipient for necessary traveling expenses of the recipient and his dependents.

Section 529. Limitation: This section provides that no fellowship shall be awarded for study at a school or department of divinity, which means an institution or department or branch of an institution, whose program is specifically for the education of students to prepare them to enter upon some religious vocation.

Section 530. Fellowship conditions: In order to remain eligible for his fellowship payments, a recipient must maintain satisfactory proficiency in, and devote essentially full time to, study or research in the field in which such fellowship was awarded, in an institution of higher education, and must not engage in gainful employment other than part-time employment which has been approved by the Commissioner.

Section 531. Appropriations: This section authorizes the appropriation of such amounts as may be necessary to carry out the provisions of this part.

Part D—Grants to institutions of higher education for improved teacher education

Section 541. Appropriations authorized: For the purpose of carrying out this part, this section authorizes the appropriation of \$5 million for the fiscal year ending June 30, 1966, and for each of the four succeeding fiscal years.

Section 542. Grants for improved teacher education: Subsection (a) authorizes the Commissioner to make grants to and contracts with institutions of higher education to pay part of the cost of developing or strengthening graduate programs for the training of teachers and of developing or strengthening high-quality undergraduate programs for the training of such personnel. The Commissioner may employ experts and consultants to advise him with respect to the making of grants and contracts under this part and in carrying out the provisions of part C. The Commissioner shall set forth in regulations the standards and priorities which will be utilized in approving such grants and contracts.

Subsection (b) sets out the standards which the Commissioner will use in determining whether or not a graduate program of an institution of higher education qualifies for assistance under this part. Such a program must (1) improve the quality of teacher education, (2) give major emphasis to high-quality substantive courses, (3) either be in effect or be attainable as a result of assistance received under this part, and

(4) be open only to those with a serious intent to pursue a career in education.

TITLE VI—FINANCIAL ASSISTANCE FOR THE IMPROVEMENT OF UNDERGRADUATE INSTRUCTION
Part A—Equipment

Section 601. Statement of purpose and authorization of appropriations: Subsection (a) states that the purpose of this part is to improve the quality of classroom instruction in selected subject areas in institutions of higher education.

Subsection (b) authorizes the appropriation of \$35 million for fiscal year 1966, \$50 million for fiscal year 1967, and \$60 million for fiscal years 1968, 1969, and 1970, to enable the Commissioner to make grants to institutions of higher education for the acquisition of equipment and for minor remodeling.

Subsection (c) authorizes the appropriation of \$2,500,000 for fiscal year 1966, and \$10 million for fiscal years 1967, 1968, 1969, and 1970, to enable the Commissioner to make grants to institutions of higher education for the acquisition of television equipment and for minor remodeling.

Subsection (d) authorizes the appropriation of not more than \$1 million for fiscal year 1966 and for each of the 4 succeeding fiscal years, to enable the Commissioner to make grants for the proper and efficient administration of State plans approved under this part, including expenses which he determines are necessary for the preparation of such plans.

Section 602. Allotments to States: Subsection (a) provides that of the funds appropriated pursuant to subsections (b) and (c) of section 601 for any fiscal year, one-half shall be allotted by the Commissioner among the States on the basis of the number of students enrolled in institutions of higher education in each State. The remaining one-half would be allotted by the Commissioner among the States in accordance with a formula which would take into account the college enrollment of each State and its relative per capita income.

Subsection (b) provides that a State's allotment under subsection (a) from funds appropriated pursuant to sections 601(b) and 601(c) shall be available in accordance with the provisions of this part for payment of the Federal share (as determined under section 604) of the cost of equipment and minor remodeling described in sections 603(2)(A) and 603(2)(B), respectively.

Subsection (c) provides that sums allotted to a State for fiscal year 1966 shall remain available for reservation until the close of the next fiscal year. Sums allotted to a State for fiscal year 1967, or for any succeeding fiscal year, which are not reserved by the close of the fiscal year for which they are allotted, shall be reallocated by the Commissioner among the States which are able to use without delay any amounts so reallocated. Amounts so reallocated would be available for reservation until the close of the next fiscal year.

Section 603. State commissions and plans: Section 603 provides that any State desiring to participate in the program under this part shall designate for that purpose an existing State agency which is broadly representative of the public and of institutions of higher education in the State. If no such State agency exists, the State may establish such an agency. The agency so designated or established (hereafter referred to as the "State commission") must submit to the Commissioner a State plan for participation. The Commissioner must approve any such plan which meets the following requirements. The plan must provide that it shall be administered by the State commission. It must set forth, consistently with basic criteria prescribed by regulation pursuant to section 604, (A) objective standards and methods for determining the relative priorities of eligible projects for the acquisition

of specified laboratory and other special equipment, including minor remodeling of classroom or other space used for such materials or equipment; (B) objective standards and methods for determining relative priorities of eligible projects for (i) the acquisition of television equipment for closed-circuit direct instruction in specified fields (but not broadcast transmission equipment), (i) the acquisition of necessary instructional materials for use in such television instruction, and (iii) minor remodeling necessary for such television equipment; and (C) objective standards and methods for determining the Federal share of the cost of each such project.

The plan must also provide (A) for assigning priorities solely on the basis of such criteria, standards, methods to eligible projects submitted to the State commission and deemed by it to be otherwise approvable under the provisions of this part; and (B) for approving and recommending to the Commissioner, in the order of such priority, applications covering such eligible projects, and for certifying to the Commissioner the Federal share, determined by the State commission under the State plan, of the cost of the project involved. The plan must provide for affording to every applicant, which has submitted to the State commission a project, an opportunity for a fair hearing before the commission as to the priority assigned to the project or as to any other determination of the commission adversely affecting the applicant. Finally, the plan provide for adequate fiscal control and fund accounting procedures and for the making of such reports as may be reasonably necessary to enable the Commissioner to perform his functions under this part.

Section 604. Basic criteria for determining priorities, Federal share, and maintenance of effort: Subsection (a) provides that as soon as practicable after the enactment of this act, the Commissioner shall by regulation prescribe basic criteria governing the provisions of State plans setting forth standards and methods for determining relative priorities of eligible projects, and governing the application of these standards and methods to eligible projects. These basic criteria must be such as will best tend to achieve the objectives of this part while leaving adequate flexibility for the development of State plan standards and methods. The basic criteria must give special consideration to the financial need of the institution. Subject to the foregoing requirements, these regulations may establish additional and appropriate basic criteria.

Subsection (b) provides that the Federal share for the purposes of this part shall be 50 percent of the cost of the project, except that a State commission may increase this share to not more than 80 percent of that cost in the case of any institution proving insufficient resources to participate in the program under this part and inability to acquire such resources. An institution of higher education which obtains a grant for a project pursuant to this part in any fiscal year must agree to expend during that year for the same purpose an amount at least equal to the amount expended by such institution for that purpose during the previous fiscal year.

Section 605. Applications for grants and conditions for approval: Subsection (a) provides that institutions of higher education which desire to obtain grants under this part shall submit applications at such times and in such manner as may be prescribed by the Commissioner.

Subsection (b) provides that the Commissioner must approve an application covering a project under this part and meeting the requirements prescribed pursuant to subsection (a) if the following conditions have been met: (1) The project has been approved and recommended by the appropriate

State commission; (2) the State commission has certified to the Commissioner the Federal share of the cost of the project, and sufficient funds to pay such Federal share are available from the applicable allotment of the State; (3) the project has been assigned a priority that is higher than that of all other projects within such State (chargeable to the same allotment) which meet all the requirements of this section and for which Federal funds have not yet been reserved; (4) the Commissioner determines that the project will be undertaken in an economical manner and will not be overly elaborate or extravagant; and (5) the Commissioner determines that the application contains or is supported by satisfactory assurances (A) that Federal funds received by the applicant will be used solely for the project covered by such application, (B) that sufficient funds will be available to meet the non-Federal portion of such cost and to provide for the effective use of the equipment upon completion and (C) that the institution will meet the maintenance of effort requirement in section 604(b).

Subsection (b) provides that amendments of applications shall, except as the Commissioner may otherwise provide by or pursuant to regulation, be subject to approval in the same manner as original applications.

Section 606. Amount of grant, payment: This section provides that upon his approval of any applications for a grant under this part, the Commissioner shall reserve from the applicable allotment the Federal share of the cost of the project covered by such application. The Commissioner's reservation of any amount under this section may later be amended by him.

Section 607. Administration of State plans: This section provides that the Commissioner shall not finally disapprove any State plan without first affording the State commission submitting the plan reasonable notice and opportunity for a hearing. It also provides for terminating the eligibility of a State whenever the Commissioner, after reasonable notice and opportunity for hearing to the State commission administering the State plan, finds that the State plan has been so changed that it no longer complies with the provisions of section 603, or that in the administration of the plan there is a failure to comply substantially with any such provision.

Section 608. Judicial review: This section provides for judicial review if any State is dissatisfied with the Commissioner's final action with respect to the approval of its State plan submitted under this part or with his final action under section 607.

Section 609. Limitation on payments: This section provides that nothing contained in this part shall be construed to authorize the making of any payment under this part for any equipment or materials for religious worship or instruction.

Part B—Faculty development programs

Section 621. Institutes authorized: This section authorizes the appropriation of \$5 million for fiscal year 1966 and for each of the 4 succeeding fiscal years to enable the Commissioner to arrange, through grants or contracts, with institutions of higher education for the operation of them by short-term workshops or short-term or regular session institutes. These workshops and institutes would be for individuals who are engaged in (or preparing to engage in) the use of educational media equipment in teaching in institutions of higher education, or who are (or are preparing to be), in institutions of higher education, specialists in educational media or librarians or other specialists using such media.

Section 622. Stipends: This section provides that each individual who attends an institute operated under the provisions of this part shall be eligible to receive a stipend at the rate of \$75 per week for the period of

his attendance at such institute, plus an additional stipend at the rate of \$15 per week for each dependent. No stipends shall be paid for attendance at workshops.

TITLE VII—AMENDMENTS TO HIGHER EDUCATION FACILITIES ACT OF 1963

Section 701. Expansion of grant purposes: Subsection (a) amends section 106 of the Higher Education Facilities Act of 1963 to remove the restriction which prohibited institutions of higher education (other than public community colleges and public technical institutes) from receiving grants for undergraduate academic facilities other than those especially designed for instruction or research in the natural or physical sciences, mathematics, modern foreign languages, or engineering, or for use as a library. The amendment does not affect the provisions of section 401(a) of the act, which in effect prohibit the giving of assistance under the act for the construction of gymnasiums, facilities to be used for sectarian instruction, or as a place for religious worship, and other designated facilities.

Subsection (b) increases the fiscal year 1966 authorization for title I of the Higher Education Facilities Act of 1963 (grants for construction of undergraduate academic facilities) from \$230 to \$330 million.

Subsection (c) increases the fiscal year 1966 authorization for title II of the Facilities Act (grants for construction of graduate academic facilities) from \$60 to \$120 million.

Section 702. Technical amendments:

Subsection (a). Making section 103 allotments available for section 104 institutions under certain circumstances: Under title I of the Higher Education Facilities Act of 1963, 22 percent of the sums appropriated are allotted among the States for use in providing facilities for public community colleges and public technical institutes, and the remainder of the appropriated sums are allotted among the States for use in providing facilities for other institutions of higher education. This subsection would permit funds allotted to a State for public community colleges and public technical institutes to be used, at the request of the Governor of the State, for other institutions of higher education.

Subsection (b). Making section 104 allotments available for section 103 institutions under certain circumstances: This amendment is the converse of the amendment made by subsection (a). It would permit funds allotted to a State for institutions of higher education other than public community colleges and public technical institutes to be used, at the request of the Governor of the

State, for public community colleges and public technical institutes.

Subsection (c). Revising Federal share for public community colleges and public technical institutes: Under title I of the Higher Education Facilities Act of 1963, the Federal share of the cost of a project for a public community college or a public technical institute is 40 percent, whereas the Federal share of the cost of a project for any other institution may be any amount up to 33 1/3 percent. This subsection would amend title I so that the Federal share for a project for a public community college or a public technical institute could be any amount up to 40 percent, rather than simply an inflexible 40 percent.

Subsection (d). Indefinite availability of sums appropriated under section 201: Title II of the Higher Education Facilities Act of 1963 authorizes grants for the construction of graduate academic facilities. Under section 201, sums appropriated for this purpose are available for grants only during the year for which they are appropriated. Subsection (d) of the bill would amend section 201 so that sums appropriated pursuant to it would remain available indefinitely until expended for grants under title II.

Subsection (e). Two-year availability of title III funds: Title III of the Higher Education Facilities Act of 1963 authorizes loans for the construction of academic facilities. Under section 303(c), sums appropriated for this purpose are available for loans only during the year for which they are appropriated. Subsection (e) of the bill would amend section 303(c) so that sums appropriated pursuant to it would remain available for an additional fiscal year for making loans under title III.

Subsection (f). Coordinating with part A (grants for expansion and improvement of nurse training) of title VIII of the Public Health Service Act: Section 401 of the Higher Education Facilities Act of 1963, defines the term "academic facilities" so as to exclude facilities to be used by a school of nursing, a school of medicine, and other schools for which construction assistance is provided under other acts of Congress. Schools of nursing formerly received construction assistance under part B of title VII of the Public Health Service Act, but since June 30, 1965, this assistance has been provided under part A of the recently enacted title VIII of the Public Health Service Act. Subsection (f) would amend section 401 of the Higher Education Facilities Act of 1963, so as to reflect this change and thereby continue the policy of the Congress that

particular classes of schools should receive particular types of assistance under only one act of Congress.

TITLE VIII—GENERAL PROVISIONS

Section 801. Definitions: This section sets out the definition of various terms used in this act.

Section 802. Method of payment: This section provides that payments made under this act may be made in installments, and in advance or by way of reimbursement, and, in the case of grants or loans, with necessary adjustments on account of overpayments or underpayments.

Section 803. Federal administration: Subsection (a) authorizes the Commissioner to delegate any of his functions under this act, except the making of regulations, to any officer or employee of the Office of Education.

Subsection (b) authorizes the Commissioner to utilize the services and facilities of any agency of the Federal Government and of any other public or nonprofit agency or institution, in accordance with agreements between the Secretary of Health, Education, and Welfare and the head thereof.

Subsection (c) authorizes the Commissioner of Education, in carrying out his functions under this or any other act, to contract for the publication of educational and related information so as to further the full dissemination of information of educational value consistent with the national interest, without regard to the provisions of 44 U.S.C. 111. These provisions require that all printing for departments and agencies of the Federal Government be done at the Government Printing Office. Subsection (c) is patterned after section 11(g) of the National Science Foundation Act of 1950 (42 U.S.C. 1870(g)) and it is intended to extend to the Commissioner of Education the same publication authority as is now possessed by the National Science Foundation.

Section 804. Federal control of education prohibited: This section provides that no department, agency, officer, or employee of the United States is authorized by this act to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution, or over the selection of library resources by any educational institution. This section provides explicitly that this act is not to be construed as conferring any such authority.

Distribution of Payments Governed by Formulas

The following table sets forth the distribution of funds on a State-by-State basis:

Estimated Federal payments under S. 600, the Higher Education Act of 1965

	Title I—University extension and continuing education ¹	Title IV				Title VI—Improvement of undergraduate instruction ²		Title VII—Amendment to title I, Public Law 88-204	
		A. Scholarships ³	C. College work-study ³	D. Amendment to NDEA		A. Equipment and minor remodeling	B. TV equipment and minor remodeling	A. Public community colleges and public technical institutes ⁴	B. Institutions of higher education other than public community colleges and public technical institutes ⁴
				Grants to public schools ⁵	Loans to private schools ⁴				
United States and outlying areas.....	\$20,000,000	\$70,000,000	\$129,000,000	\$8,800,000	\$1,200,000	\$35,000,000	\$2,500,000	\$22,000,000	\$78,000,000
50 States and District of Columbia.....	19,626,115	68,600,000	126,420,000	8,640,000	1,185,534	34,707,565	2,479,112	21,730,816	77,290,752
Alabama.....	360,004	1,643,951	3,029,566	225,583	5,893	491,672	35,119	479,821	1,162,338
Alaska.....	118,869	53,051	97,765	10,764	413	16,199	1,300	15,466	59,917
Arizona.....	216,755	619,135	1,140,977	88,087	6,220	415,680	29,692	179,304	759,008
Arkansas.....	246,483	1,016,907	1,874,014	119,766	2,405	325,725	23,266	299,221	702,640
California.....	1,450,697	5,665,025	10,439,829	574,835	77,129	3,982,867	284,491	1,694,955	8,562,558
Colorado.....	247,716	729,520	1,344,400	90,774	8,522	455,607	32,543	220,687	926,299
Connecticut.....	309,097	734,630	1,353,818	78,990	21,769	391,616	27,973	231,481	1,043,627
Delaware.....	136,967	141,896	261,495	15,231	3,780	62,734	4,481	36,902	180,772

Footnotes at end of table.

Estimated Federal payments under S. 600, the Higher Education Act of 1965—Continued

	Title I—University extension and continuing education ¹	Title IV				Title VI—Improvement of undergraduate instruction ²		Title VII—Amendment to title I, Public Law 88-204	
		A. Scholarships ³	C. College work-study ³	D. Amendment to NDEA		A. Equipment and minor remodeling	B. TV equipment and minor remodeling	A. Public community colleges and public technical institutes ⁴	B. Institutions of higher education other than public community colleges and public technical institutes ⁴
				Grants to public schools ³	Loans to private schools ⁴				
Florida.....	\$525,972	\$1,820,776	\$3,355,431	\$257,293	\$17,095	\$869,972	\$62,141	\$615,930	\$1,916,473
Georgia.....	424,774	1,849,080	3,407,591	272,340	5,189	588,326	42,024	541,000	1,412,113
Hawaii.....	152,756	237,813	438,256	36,224	6,048	109,269	7,805	95,373	272,675
Idaho.....	152,910	270,690	498,841	44,361	1,752	144,753	10,339	108,189	307,555
Illinois.....	899,574	3,126,080	5,760,921	337,903	103,107	1,606,929	114,780	919,975	4,052,356
Indiana.....	468,057	1,644,476	3,030,536	231,112	25,136	916,944	65,496	571,952	2,024,024
Iowa.....	312,178	1,185,614	2,184,918	137,104	19,089	608,577	43,469	384,601	1,269,740
Kansas.....	270,743	920,246	1,695,883	107,839	10,120	545,024	38,930	301,910	1,043,745
Kentucky.....	340,750	1,430,189	2,535,634	196,912	17,267	540,351	38,597	429,455	1,141,104
Louisiana.....	363,008	1,692,334	3,118,731	232,316	27,800	697,290	49,807	501,009	1,381,443
Maine.....	175,937	336,189	619,550	53,374	7,062	143,613	10,259	136,452	356,057
Maryland.....	358,156	1,006,128	1,854,151	143,069	26,872	495,367	35,383	332,709	1,268,369
Massachusetts.....	507,874	1,811,729	3,338,757	170,172	51,494	1,179,636	84,260	552,653	2,473,731
Michigan.....	718,511	2,688,570	4,954,651	402,361	66,098	1,522,821	108,773	937,864	3,492,842
Minnesota.....	368,938	1,436,010	2,646,360	183,133	33,023	792,584	56,613	524,275	1,660,516
Mississippi.....	276,057	1,415,355	2,608,297	159,446	3,746	435,762	31,126	312,723	865,415
Missouri.....	437,636	1,711,985	3,154,942	177,670	32,680	822,666	57,762	469,962	1,802,114
Montana.....	153,988	275,943	508,523	40,030	4,089	146,853	10,490	97,128	310,948
Nebraska.....	213,059	605,519	1,115,886	69,292	11,134	315,603	22,543	185,845	650,015
Nevada.....	129,959	77,226	142,314	11,422	791	33,817	2,415	24,697	123,183
New Hampshire.....	149,598	210,284	387,522	30,260	6,942	131,689	9,407	85,075	280,562
New Jersey.....	604,769	1,517,264	2,796,100	199,287	58,263	641,177	45,799	617,303	2,038,712
New Mexico.....	175,937	411,733	758,766	69,750	5,326	193,365	13,812	132,943	425,107
New York.....	1,462,865	5,012,917	9,238,091	485,361	164,858	2,884,365	206,026	1,519,275	6,869,899
North Carolina.....	468,673	2,430,546	4,479,148	312,666	3,814	874,232	62,445	657,924	1,867,697
North Dakota.....	149,675	336,194	619,559	40,330	4,055	169,309	12,093	108,742	316,036
Ohio.....	870,155	3,101,355	5,716,356	465,958	74,826	1,658,946	118,496	1,153,383	4,000,090
Oklahoma.....	287,995	1,091,921	2,012,255	128,163	4,227	605,642	43,261	349,625	1,139,604
Oregon.....	242,633	689,180	1,270,059	87,512	6,907	432,915	30,922	245,346	913,693
Pennsylvania.....	979,901	3,633,569	6,696,149	471,322	120,375	1,786,082	127,577	1,476,156	4,362,585
Rhode Island.....	168,698	287,089	529,065	34,890	10,360	186,937	13,353	101,419	366,879
South Carolina.....	292,847	1,301,604	2,398,671	175,319	3,127	356,617	25,472	363,604	848,594
South Dakota.....	164,527	351,698	648,128	43,136	4,588	163,092	11,649	111,068	319,922
Tennessee.....	388,577	1,806,992	3,330,027	230,556	6,185	733,538	52,396	519,298	1,433,910
Texas.....	887,714	4,162,430	7,670,763	555,466	29,432	1,941,857	138,704	1,115,794	3,986,698
Utah.....	174,782	476,681	878,458	65,259	1,220	399,888	28,563	141,543	648,810
Vermont.....	131,191	178,728	329,370	22,047	3,539	109,919	7,851	56,717	200,700
Virginia.....	429,780	1,577,666	2,907,412	237,289	11,013	606,243	43,303	472,994	1,421,741
Washington.....	328,043	1,069,233	1,970,444	134,416	11,374	667,081	47,649	379,509	1,433,444
West Virginia.....	239,629	855,236	1,576,076	114,607	3,436	322,343	23,024	289,724	727,224
Wisconsin.....	413,145	1,477,453	2,722,735	201,808	50,188	826,789	59,056	557,115	1,815,717
Wyoming.....	126,108	122,845	226,387	17,728	756	67,522	4,823	38,199	150,221
District of Columbia.....	161,458	351,315	647,422	19,477	5,000	287,760	20,554	36,521	511,329
Outlying areas.....	373,885	1,400,000	2,580,000	160,000	14,466	292,435	20,888	269,184	709,248
American Samoa.....	26,625				257			3,013	5,524
Canal Zone.....					138				
Guam.....	30,114				996	6,862	490	9,192	23,121
Puerto Rico.....	289,458				12,457	284,825	20,344	253,241	672,965
Virgin Islands.....	27,688				618	748	54	3,738	7,638

¹ Estimated distribution of 80 percent of \$25,000,000, with a basic amount of \$100,000 to the 50 States, District of Columbia, and Puerto Rico; \$25,000 to American Samoa, Guam, and the Virgin Islands; and the remainder distributed on the basis of the total resident population, July 1, 1963 (P-25, No. 294, Nov. 5, 1964).

² Estimated distribution of \$70,000,000 and \$129,000,000 (2 percent reserved for distribution to the outlying areas) with $\frac{1}{4}$ distributed on the basis of 1962-63 total high school graduates (table, rev. Mar. 31, 1964); $\frac{1}{4}$ on the basis of fall 1964 full-time degree-credit enrollment in institutions of higher education; $\frac{1}{4}$ on the basis of the estimated "related children under 18" in families with incomes of less than \$3,000 per annum (PC (1) D series, 1960 census, table 140).

³ Estimated distribution of additional amount of \$10,000,000 with 1.6 percent reserved for allotment to the outlying areas and 12 percent reserved for loans to nonprofit private schools; the balance (\$8,640,000) distributed on the basis of the products of the NDEA allotment ratios for fiscal year 1966 and 1967 and the 5-17 population, July 1, 1963.

⁴ Estimated distribution of 12 percent of \$10,000,000 on the basis of nonpublic school enrollment.

⁵ Estimated distribution of \$35,000,000 and \$2,500,000 with $\frac{1}{4}$ distributed on the basis of the total full-time and full-time equivalent degree-credit and nondegree-credit enrollment in institutions of higher education, fall 1964 and $\frac{1}{4}$ on the basis of State products of fiscal year 1966 allotment ratios (Public Law 88-204) and this fall 1964 enrollment.

⁶ Estimated distribution of additional amount of \$100,000,000 under title I, Public Law 88-204. 22 percent distributed on the basis of the fiscal year 1966 allotment ratios and the total high school graduates for public community colleges and public technical institutes; 78 percent distributed with $\frac{1}{4}$ distributed on the basis of enrollment as in footnote 5, and $\frac{1}{4}$ distributed on the basis of the total public and nonpublic grade 9-12 enrollment, fall 1964.

Mr. MORSE. Mr. President, turning now to each of the titles, I wish to call to the attention of my colleagues quite briefly the major changes which were made in the bill and, to the best of my ability, the reasons why the committee was persuaded to support these changes.

The general principle which the committee followed was that we should fund each year of each title with a dollar amount. This was done in deference to the opinion of the majority that ceiling amounts for each of the titles would enable us to bring to the Senate a more accurate picture of the costs of the legislation. These are admittedly high when considered over a 5-year period, but I cannot imagine a better investment than

the pledge of these funds for the purposes of H.R. 9567.

It is an investment in our most precious national resource, the young people and the teachers at all levels of this country. It is an investment which I am truly convinced will be repaid over and over and over again.

We also took into consideration the fact that the current fiscal year is one-sixth advanced and that by the time funds are appropriated, regulations written, and disbursements made, there may be a period yet of some few months before the programs can become operative.

In title I we reduced to \$25 million the amounts we recommended for the first fiscal year. It is our judgment, however,

that the sum of \$50 million which we authorized for each of the succeeding years can be considered, and properly, a very prudent amount for the program.

In title I as introduced, there were some nine illustrative programs which could be funded under the proposal. The committee received many suggestions for additional proposals which had much merit, and it was therefore decided to couch the authority in generic language reserving the illustrative examples for the committee report.

Mr. President, I ask unanimous consent that the portion of the committee report relating to title I which sets forth the types of activities which can be con-

ducted under the authorities of that title be printed at this point in my remarks.

There being no objection, the portion of the committee report referred to was ordered to be printed in the *RECORD*, as follows:

COLLEGE AND UNIVERSITY EXTENSION AND
CONTINUING EDUCATION PROGRAM

In keeping with the intent of President Johnson to extend the role of the university "far beyond the ordinary extension-type operation," the committee is proposing a program of Federal assistance for institutions of higher education to enable them to maintain extension and continuing education programs while pioneering in a broadened field of responsibility.

It is the intent of the committee that the States, institutions, and the communities participating in this program be allowed considerable latitude with respect to programs under this title. The committee points out that the following types of projects and activities would, among others, be eligible for funding.

1. Studies of employment problems and economic growth possibilities in both urban and rural areas;
2. Courses to train subprofessional personnel as aids in the health services and in social work in order to help alleviate shortages of professional personnel;
3. Courses for professional people such as doctors, lawyers, educators, and high school and college administrators to relate the findings of recent research, the significance of current events, and new techniques and information to their responsibilities to the public.
4. Seminars for community leaders to examine new health, welfare, and education laws and the significance of those laws in their community;
5. Conferences and seminars on the problems extending health services to isolated communities; and
6. Conferences on the problems associated with intergroup relations and social unrest.
7. Professional retraining and refresher programs for persons in professions such as architecture, engineering, landscape architecture, law, law enforcement, medicine, pharmacy, public administration, public health, science, social science, social work, economics, teaching, and urban and regional planning (including environmental health planning);
8. Training and consultative services to local, State, and Federal governments;
9. Training in leadership and in program planning for nonprofit voluntary associations and civic groups;
10. Special educational programs for adults with a view to increasing their opportunities for more productive employment and making them better able to meet their adult responsibilities;
11. Training and educational services relating to aging;
12. Training services related to labor education, management education, and employment opportunities;
13. Special educational programs for culturally disadvantaged adults;
14. Educational programs for women preparing to enter or reenter the labor market; and
15. Other training, demonstration, and public service programs.

Mr. MORSE. Mr. President, the committee took note of the excellent testimony presented to it during our hearings from witness after witness who advised us on the basis of their collective experience of the benefits which this program could derive were it to be soundly based upon the land-grant college extension concept.

On pages 632 through 777 of the hearings record before you can be found the oral testimony and the written statements of such recognized authorities as Dr. Fred H. Harrington, president of the University of Wisconsin, Lowell Watts, director of the Cooperative Extension Service of Colorado State University, R. P. Davison, director of the Cooperative Extension Service at the University of Vermont, A. A. Johnson of the Cooperative Extension Service at Cornell University, and I am proud to say, Dr. Ralph Steetle, director of divisional relationships, Oregon State system of higher education.

These men and the many who wrote to us from State after State, or who testified on behalf of public interest organizations at other times, among whom I would note particularly Dr. Blue Carstenson of the National Farmers Union, were most persuasive in convincing us that we ought not narrowly to regard potentialities of title I. We therefore agreed that the services contemplated should be made available to committees of all sizes in all States.

We were also persuaded that every institution of higher education which demonstrated its competence to participate in this program should be permitted to do so, but in view of the limited amounts of money we felt we could provide, we incorporated carefully maintained effort language and reduced from 90 to 75 percent the Federal matching share in the first year of the program. Ultimately, in the third year the matching requirement will be reduced to a 50-50 ratio.

At this point I wish to pay tribute to a relative newcomer to the Senate Subcommittee on Education, the distinguished junior Senator from New York [Mr. KENNEDY]. He applied himself with diligence to the study of the proposed legislation in this title and developed most ably a critique of many operations in parallel fields which had the result of adding to the bill as introduced, a National Advisory Council on Extension and Continuing Education which may very well be one of the major achievements of this title when its report is received and analyzed in March 1967, because this national council, consisting of Presidentially appointed members from both the executive departments and prominent knowledgeable persons in the fields of extension and continuing education has been given a mandate to review the entire field and to forward in its report recommendations for changes in the provisions of all Federal laws relating to extension and continuing education activities. This report should reach us in time to permit us to make highly desirable changes in our various statutes which are now involved in this area.

Mr. President, I turn now to title II, the college library assistance and library training and research area. Fifty million dollars a year is provided for 5 years under the provisions of this title to strengthen our college library resources through grant programs and to make provision for the training of librarians. This title additionally, contains an

amendment which was unanimously adopted by the subcommittee at the hearing table to strengthen through the provision of \$5 million the first year and somewhat larger sums in the next 2 fiscal years, the operations of our own Library of Congress in the cataloging area.

Title II, College Library Assistance and Library Training and Research, is a very important segment of the bill. The college library is a key factor helping the some 2,200 institutions of higher education achieve their goals. As has often been said: "The heart of every college and university is its library." The degree of excellence that a college or university achieves is conditioned in large measure by the quality of its library, as regards books and journals, staff, and building facilities. A deficiency in any one of the factors affects the adequate functioning of the library.

How are the libraries in our institutions of higher education doing? What is the financial support currently being given to libraries by colleges and universities? How are their book and periodical collections as regards numbers and quality? In answering these questions, the committee owes much to the factual material presented to it by a most distinguished panel of experts chaired by the Librarian of Congress, which can be found on pages 553-630 of the hearings.

The best opinion is that to maintain a library adequate to the needs of students and faculty today, 5 percent of the total educational and general budget of the institution should be devoted to the operation of the library. As a matter of fact, the statistics show that the average expenditure in the United States is only 3.5 percent instead of the recommended 5 percent. Moreover, a number of the institutions unfortunately spend less than 1.5 percent. It is all a clear indication that as a whole, not enough money is being devoted to library purposes.

Who suffers? The students who attend the institution. Unless they are provided with adequate working libraries, we are denying them the full opportunity that institutions should offer them to become educated men and women.

On the question of book collections, recent data from the U.S. Office of Education show that 50 percent of the colleges fall below the minimum national standards for the 4-year institutions, and 80 percent of the 2-year institutions are below the standards.

To assist in closing the gaps in books, periodicals, documents, magnetic tapes, phonograph records, audiovisual materials and other related materials, the bill H.R. 9567 provides three kinds of grants: basic, supplemental, and special purpose. Of the proposed authorization of \$50 million, 75 percent is reserved for basic and supplemental; 25 percent for special purpose grants.

In the case of the basic grant, up to \$5,000 for books and related materials would be allotted to each applying institution which shows that it will not reduce during the fiscal year its expenditures for library purposes and furthermore will match the sum granted by the Federal Government with an equal amount for books and related materials.

Moreover, the basic grant will be allowed to each branch of the institution which maintains a library located in a community different from that in which its parent institution is located. This grant also provides for joint use of library facilities with other institutions where feasible.

A supplemental grant of not to exceed \$10 per full-time student also will be available to institutions of higher education, to be used for the purchase of additional books, periodicals, and other library materials. In the application, the college must show that it is being prevented from rendering adequate library service to its clientele by the lack of library resources. For this grant, no matching is required.

Then there are the special purpose grants which may be allotted to institutions which demonstrate a special need for additional library resources or information and have a special national or regional need for library sciences resources, or which plan to further cooperation between libraries. This inter-library cooperation, already underway to some degree, would help make every sorely needed dollar of library expenditure go as far as possible. These grants will encourage a trend in cooperation among libraries in the matter of acquisition, cataloging, lending, and references. Examples are seen in such cases as the New England Depository, the Center for Research Libraries in Chicago, the Honnold Library covering five colleges in the California area, the New York Metropolitan Reference and Research Library Agency, and others.

A maintenance of effort requirement is included for the special purpose grants.

It should be noted, moreover, that the Federal Government is forbidden to have any control over the selection of the library resources which will be acquired under title II.

An important provision of the bill is the authorization of \$7.5 million for the fiscal year ending June 30, 1966 and \$15 million for the fiscal year ending June 30, 1967, and for each of the three succeeding fiscal years for the training of librarians—college, university, school, and public librarians. This need is urgent, for library resources and buildings by themselves do not constitute adequate library service. It takes a staff competent to acquire materials, store them properly for consultation, and make them available quickly to students, faculty, and researchers.

The current shortage of trained librarians is serious and appalling. Estimates place the gap at 125,000 to fill needed positions in college, university, school, and public libraries. To fill this deficiency, the 33 accredited library schools have annual enrollments of around 5,000 of which less than half are full-time students. In addition, there were 245 nonaccredited programs of library science. In 1964, fewer than 2,800 persons in the United States were granted degrees in library science, according to a report published by the U.S. Department of Labor. It is quite evident that the output must be dras-

tically increased to meet the greatly enlarged demands for library service in colleges, universities, schools, and public libraries.

This bill meets this need in part by authorizing funds for the training of professional librarians and for performing research in librarianship.

Mr. President, I turn now to title III in which it is proposed to provide the Commissioner of Education with authority to expend in this fiscal year \$55 million and for each of the 4 succeeding fiscal years \$60 million for the purpose of strengthening and developing institutions of higher education. As introduced, the bill called for a \$30 million authorization which would have been expended only to aid economically distressed 4-year institutions. The testimony given on this part of the bill convinced the committee that there should be added to this title funds to give an equivalent amount of assistance to a rapidly growing segment of higher education—junior and community colleges. In part, this decision was based on the material presented to the committee by the president of Vincennes University, who represented the American Association of Junior Colleges. About 25 percent of all students entering college, according to Dr. Beckes, whose statement may be found on page 1115 of the hearings record, enroll in institutions of this type. It varies across the country. In California, such schools start 84 of every 100 freshmen and sophomores on their way to achievement through postsecondary training. In Florida, 55 percent of all students attend these institutions. By the early 1970's, it is estimated that at least one-half of all lower division students will receive their training in these decentralized schools. Such rapid growth brings problems in its wake. The teacher recruitment problem, according to the testimony, is particularly acute. During the next decade between 90,000 and a 100,000 new junior college teachers will be required and an equal number of part-time instructors should also be employed. Low tuition institutions, such as the majority of these schools, place higher education within the economic and geographic reach upon thousands and thousands of our young and adult students many of whom could not otherwise attend college. President Johnson recognized this in his education message when he cited the statistics which show that a high school graduate's likelihood of going to college is 50 percent greater if he lives within 20 or 25 miles of a college.

In my opinion, President Johnson's great message on education, when he gave support to the program now being presented to the Senate, is all the brief that the American people really need to read in order to have them rally behind the President in support of the great program he has outlined for education in this country.

Mr. President, although it is running ahead in my presentation, the testimony given by this witness strongly moved me to expand the coverage of a part of title V, which I shall later discuss in more detail, of the fellowship program to include

in the category of teachers to receive the benefits of that title those who were employed in postsecondary vocational education. In our committee deliberations, that program became known as the Morse fellowship amendment. It is certainly my intent that all who teach in this segment of American education, which partakes both of the vocational and the traditional academic training, have an opportunity to strengthen and improve their teaching skills through graduate preparation under the fellowship program, both of this title and title V, part C of H.R. 9567.

Mr. President, I commend to Senators the portion of the committee report which deals with title III. I shall not attempt to expand upon it, but in order that those who may not have access to the report may have an understanding of the need which created it and the solution which is offered by this legislation to that need, I ask unanimous consent that the appropriate portions of the committee report dealing with these subjects be printed at this point in my remarks.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

TITLE III—STRENGTHENING DEVELOPING INSTITUTIONS

The need

To meet the rapidly increasing demand for higher education, a grave problem has developed. Faced with a chronic shortage of good teachers and adequate facilities, educators have been forced to stretch existing resources in too many instances beyond their necessary limits. Too high a proportion of the Nation's colleges and universities are not offering education of an adequately high standard. Evidence presented to the committee showed that fully 10 percent of the 2,300 institutions of higher learning in the United States have not met the minimum standards of academic quality required for accreditation. Many others constantly face the threat of losing their accreditation because of borderline performance. So poor, in fact, are some institutions that, as the Commissioner of Education reported:

"Many students are now finishing high school with more advanced information than is taught in some of our small colleges."

This low quality on the part of assignment of American higher education must not be lightly regarded. Building hundreds of colleges and developing thousands of teachers could be a futile exercise if this new quantity is not accompanied by the standard of quality we wish to see for our citizens. The whole purpose of encouraging young people to study further is vitiated if the colleges which they attend are not of sufficient caliber to offer them a higher education. Commissioner of Education Keppel warns:

"Perhaps if we did not need all our institutions we might turn our backs and allow only the fittest of our colleges to survive. This is a step we cannot afford. We must instead regard developing institutions as among our greatest challenges."

Title III of this legislation represents an important step in meeting this challenge.

Smaller and inferior colleges are beset with a series of problems which must often appear insoluble. They are generally plagued by limited financial support, high dropout and transfer rates, a narrow span of course offerings, and insufficient library, laboratory, and instructional equipment. But it is these chronic inadequacies that make it difficult for developing institutions to attract the sort of assistance they need to overcome their

failures. The problem is circular. The colleges are poor, so they cannot become better.

The difficulty of developing a strong faculty exemplifies well the general dilemma of the developing institution. In the first place, they cannot compete for highly qualified personnel with established universities, either in salary or in prestige or in research facilities. Moreover, because of lack of staff, they must demand excessive teaching loads of their own faculty. This means that the faculty members have little chance for the research and other scholarly activity necessary for their personal development. Even in subject areas where these colleges have strengths, it is difficult to maintain them because of the high turnover rate of their faculty and because of the school's loss of contact with the most recent advances in the various academic fields.

A solution

An unusually effective method of maximizing the strength of our limited national resources for education is the interinstitutional cooperative program. A limited number of such programs have been developed in recent years. These arrangements enable institutions to share their strengths and, at the same time, to compensate for their weaknesses. They are of special assistance to the smaller colleges which are most crippled by lack of resources.

Cooperative programs take many forms; exchange of faculty and students, faculty improvement programs, programs involving alternate periods of academic study and business or public employment, and joint use of facilities. Under these arrangements, libraries can be shared for their more esoteric fields, wider ranges of classes can be offered, and administrative knowledge and skill can be developed. The possibilities for cooperative work are seemingly as broad as is the range of university endeavor. However, these possibilities are severely limited by lack of financial resources.

The committee found that particularly interesting among the cooperative programs which have been developed are the sister-relationships between larger universities and smaller colleges. An example of such a sister-relationship is the cooperative program between Brown University and Tougaloo College, a small predominantly Negro college in Mississippi. The committee feels that these associations are among the most encouraging developments in contemporary higher education. Such programs promote the mutual growth of both associated schools. The smaller colleges benefit from the expertise and the greater resources of the major universities. The large research universities, in turn, can benefit from the humanizing influence and certain special teaching skills of the smaller struggling institutions.

There are presently seven formal sister-relationships in the country. There are many other informal exchanges and there are several such programs now at the discussion stage. The main obstruction in the further development of these programs is lack of financial resources; yet, one of the great virtues of cooperative programs is that they require a minimum of financial support. They are in no way as costly as outright grants to cover the needs of the smaller colleges, and in many ways they are more effective. At the present time giving each of these schools large grants would not solve their problems because there just are not enough good teachers to go around. As long as there are not sufficient numbers of qualified teachers and sufficient educational resources for students and teachers, cooperative programs offer a method for spreading knowledge to as many students as possible today.

The program

Title III represents a significant step in the direction of upgrading the smaller less fortunate colleges of the country. This title

provides a 5-year program of grants to institutions of higher education and to teaching fellows to assist in raising the quality of developing institutions. For each fiscal year from 1966 through 1970, the bill authorizes appropriations of \$25 million for developing institutions awarding bachelor's degrees, and another \$25 million for 2-year institutions. The bill would authorize appropriations for an additional \$5 million for fiscal year 1966, and \$10 million for each of the next 4 fiscal years, to be used for either 4-year or 2-year institutions, in the Commissioner's discretion.

The bill as introduced limited participation under title III to degree-granting 4-year colleges. While the committee recognizes the need for substantial assistance to 4-year colleges which are struggling to maintain and develop their own quality, it was felt that the similar needs of our smaller junior colleges and technical institutions should be given equal emphasis. The committee is keenly aware of the progress which junior colleges and technical institutions are making to provide educational opportunity to an ever-larger number of our Nation's youth. Some of these 2-year institutions are making remarkable efforts to improve their programs, and it would, in the committee's view, be unfair to exclude such institutions from eligibility for financial assistance under title III.

In order to assure that adequate funds are available for both 4-year and 2-year institutions, the bill, as reported, authorizes equal sums for each category. Instead of taking away from the requested authorization for 4-year colleges, the committee recommends an authorization for title III nearly double the original request, but the total authorized for this title is only a modest investment in terms of the return which the Nation can expect in improved educational quality.

In order to be eligible for assistance under title III, an institution must be a public or nonprofit educational institution which: (a) Admits as regular students only high school graduates or the equivalent, (b) provides an educational program for which it awards a bachelor's degree, or provides not less than a 2-year program creditable toward such a degree or provides a 2-year technical program, and (c) is accredited or making reasonable progress toward accreditation, and such institution must have met these requirements for the 2 academic years preceding the year for which it seeks assistance.

The further prerequisite for assistance under this bill is, of course, that the school aided be a developing institution. Certain general requirements are specified in the bill. For example, the college must be "seriously handicapped in its efforts to improve staffs and services by lack of financial resources and a shortage of qualified personnel."

The school must be making a reasonable effort to improve its teaching and administrative staffs and its student services.

The committee, recognized however, that no hard-and-fast line separates developing from established institutions and that in the end final determination is a matter of interpretation. The main intent of the committee in judging whether a college qualifies as a developing institution is stated in the first sentence of the title. The bill is to assist institutions which "for financial and other reasons are struggling for survival and are isolated from the main currents of academic life."

It is intended that identification of eligible colleges will be made according to the sense of this clause. The title stipulates that the Commissioner of Education shall be assisted in this determination by an Advisory Council on Developing Institutions.

Cooperative programs

Two general mechanisms are provided for strengthening developing institutions. The first is the appropriation of funds for use as

grants to support cooperative arrangements aimed at building up these colleges. According to the bill "such cooperative arrangements may be between developing institutions; between developing institutions and other colleges and universities; and between developing institutions and organizations, agencies, and business entities."

As pointed out above, cooperative arrangements may take an almost limitless variety of specific forms. The committee did not want to limit the flexibility of these programs so it left open a wide range of possibilities for cooperative programs. However, the legislation provides that proposals for which grants are requested must set forth procedures designed to guarantee that the Federal funds made available will supplement rather than supplant State and local funds, establish fiscal control procedures, and provide for periodic reports to the Commissioner.

It should be noted that developing institutions are not distributed equally among the States nor are they related directly to any single factor or group of factors within a State. Therefore, in order to best distribute the appropriations to the colleges most deserving of them, the committee felt that allocations should be made directly to the selected institutions. In sister relationships a grant may be given either to the developing college or to the established university for cooperative use.

The committee adopted language to emphasize that the improvement of the administration of developing colleges would be an appropriate part of programs assisted under such cooperative arrangements. The introduction of modern and adequate management techniques and processes are essential to support new and strengthened academic programs. The development of a strong institutional planning and development program is a cornerstone in the development of sound academic programs.

The committee thought it desirable to emphasize that faculty improvement programs of developing colleges might desirably include fellowship programs to enable faculty members of developing colleges to study toward advanced degrees at other institutions. This is the other side of the coin to the program described below under which national teaching fellowships would bring highly qualified graduate students and junior faculty members from stronger institutions to teach at the developing college for periods up to 2 years. As the table below indicates, developing colleges have not been able to secure their fair share of teachers with advanced degrees, and fellowships making it possible for junior faculty members of developing colleges to work toward higher degrees would help to improve the ratio.

Levels of highest earned degrees of full-time teaching faculty, 1962-63

[In percent]

	Doctorate	Master's	Bachelor's
Institutions having fewer than 200 faculty members.....	40	41	19
Universities.....	58	25	17
All 4-year institutions.....	51	33	16

Fellowships

The other mechanism provided by title III for strengthening the smaller colleges of this country is the establishment of a program of national teaching fellowships to be awarded by the Commissioner to highly qualified graduate students and junior faculty members of stronger institutions to encourage them to teach at developing institutions. Such fellowships may not exceed 2 academic years nor may a fellowship extend beyond June 30, 1970. Stipends will not exceed \$6,500 per year plus \$400 for each

dependent. The finding of such fellowships, the committee understands, will be included in the project awards for both 2- and 4-year institutions.

Some private groups, recognizing the need in smaller colleges for good teaching, have developed programs designed to encourage young teachers to spend a year or two at developing institutions. The Woodrow Wilson Interns and the Southern Teaching Program, Inc., have both had some success in this area. The main limitation of these programs has been a lack of financial support. It appears that the same sort of idealism that has motivated countless Peace Corps volunteers exists also among some of these young teachers. But it is not enough for them to want to volunteer. It must be made possible for them to volunteer. The national teaching fellowships can open this possibility to them.

These fellowships can promote higher quality teaching and revitalization of faculties and academic programs in the developing colleges. They can at the same time provide an outlet for the idealism of young teachers and give these academicians a broader range of personal experience which should strengthen their teaching abilities wherever they might be.

Mr. MORSE. Mr. President, I turn now to title IV, of the bill, the student assistance title.

Part A, undergraduate scholarships, is funded at \$70 million for the first year, and will afford educational opportunities to 140,000 students. These scholarships, under the amendments the committee adopted, may range from \$200 a year to \$800 a year, dependent upon need. For those students having need in excess of \$800 and who are in the upper one-half of their college class, a maximum of \$1,000 could be provided. These scholarships will be awarded by institutions of higher education within a State.

Let me digress, while my friend the Senator from New York [Mr. JAVITS] is in the Chamber, to say that I received great assistance from him on this matter. I also see that the Senator from Vermont [Mr. PROUTY] is present. He, too, on the minority side, gave me assistance, as did the members on my side of the table.

It is strongly urged that the institutions of higher learning of the States administer these scholarships. The chairman of the subcommittee which is presenting the bill to the Senate today argued at some length on the administrative problem of scholarship programs.

We have every reason to place our confidence and faith in those who teach in and administer the educational institutions themselves. We have no reason to worry about the care that they exercise in administering a scholarship program. I served for many years as a faculty member on a scholarship committee, and I know how careful college faculties are in carrying out their obligations to the students, to see that complete fairness is observed in awarding scholarships. Therefore, I believe that this administrative load should be taken over in each State by the institutions of higher education themselves. Under the amendment adopted by the committee, however, 15 percent of a State's total allotment may be used by a State scholarship program for scholarships meeting

the terms of the act, to supplement, upon a matching basis, its existing program or to initiate such a program.

When that amendment was proposed by the Senator from New York [Mr. JAVITS], after discussion, I said that the essence of the amendment was retained, and I thanked him; and I thank him now on the floor of the Senate, for what I think is a very important contribution to the strengthening of the scholarship program as set forth in title IV of the bill.

Such supplementation, however, would require an expansion of an existing program. The scholarship program provides \$70 million for each of the 5 years for initial scholarships. Scholarships could not exceed 4 years. Appropriations are also authorized to finance scholarships previously awarded.

Part B is the insured loan program. We labored long and hard on this section of the bill, because there was a variety of views and proposals. We hammered the various proposals into what I think is a sound compromise of all points of view. The program we submit is sound and in the best interests of the recipients of the loans; namely, the students.

The committee adopted an amendment to the original bill which parallels almost exactly the language adopted by the House when the companion measure passed on August 26. This program is designed to assure that colleges and students attending colleges will have reasonable access to low-interest rate loans. In order to accomplish this, the loans will be interest free to the student while he is attending school and at an interest rate paralleling the National Defense Education Act direct loans when he has completed his education. The difference between the interest charged to the student and the cost of the money through State or private nonprofit organizations will be met by a subsidy which is estimated to be in the first year of the program \$15 million. In the fifth year of the program, the cost is estimated to be \$42 million. This will, however, enable over \$700 million to be advanced to students for this purpose on a loan basis.

Part C of title IV transfers the college work-study program from the Office of Economic Opportunity to the Commissioner of Education. One hundred and twenty-nine million dollars is authorized for this purpose for fiscal year 1966, and should provide on- and off-campus employment for 225,000 to 285,000 students. The final year of the program under administration estimates would be \$235 million.

Part D of title IV consists of amendments made by the committee to the National Defense Education Act title II student loan program. These amendments were designed to provide participating colleges with procedures which would enable them to loan and collect more efficiently advances under this program. In addition, the committee adopted an amendment which forgives completely a National Defense Education Act loan at the rate of 15 percent per year for a teacher who elects to teach in a school in receipt of funds under title I

of Public Law 89-10. The 100-percent forgiveness, however, would apply only in the case of teachers employed by 25 percent of the schools in the State.

What we are dealing with is a proposal which seeks to induce teachers to go into what we know are impoverished school districts where there are serious problems with standards and economic problems which confront the families of the students who go to those schools. Testimony shows that there is a problem in teacher placement in some of those schools. Let us face it.

We wish to encourage teachers to go into those schools, and this would be somewhat of an inducement in the 100 percent loan forgiveness proposal under the National Defense Education Act program to persuade those teachers to sign up, so to speak, to teach in such schools.

Mr. President, with respect to the first of the new titles added to the bill, title V, teacher programs, I shall be quite brief, since two distinguished Members of the full committee who joined in sponsoring the Teacher Corps as part of this measure, will speak more fully to it later in debate.

Title V has three major sections: Teacher Corps provision, fellowship provisions, and institutional grants for strengthening graduate and undergraduate education. All of these components of the title evolved from recommendations made by Senators or proposed by the administration.

The Teacher Corps programs are proposals which were made, in the first instance, by the Senator from Massachusetts [Mr. KENNEDY] and the Senator from Wisconsin [Mr. NELSON]. As I have said, they will explain the programs if questions are raised during the course of debate.

However, at this time, I wish to highly commend the Senator from Massachusetts and the Senator from Wisconsin for the significant strengthening of title V of the bill. This is a dramatic proposal, if we will stop to reflect upon its future implications, to make teachers available through this far-seeing program, who will go into the so-called substandard schools, or schools in which we need to raise the standards, so that they will come closer to meeting the standards of the better schools in the State.

I believe that an amendment which affords that kind of inducement, is a great public service. There are many other things in the bill of which I am proud. I am not going to start listing them in order of how I evaluate them, but I am exceedingly proud of the Teacher Training Corps program offered by the Senator from Massachusetts and the Senator from Wisconsin.

Great support was given to the concepts contained in this title by the President of the United States, who spoke movingly, early in July, before an audience of teachers from every part of the country. That was the President's great speech made in Madison Square Garden in New York City, at the convention of the National Educational Association. At that time, it was my privilege and

honor to accompany the President and to sit on the platform and watch the impact of the President's proposal upon this convention of teachers. I could not possibly have been more proud of the educational statesmanship of the President than I was at that historic moment.

The thrust and support of the administration to these concepts was again amply displayed in the Presidential message which resulted in the introduction on July 19 of S. 2302.

I shall content myself at this time with referring Senators to the committee report on title V and to the following brief description of the fellowship provisions which are part C of the title:

Part C would provide 4,500 fellowships for the first year, rising to 15,000 in the fifth year, leading to a master's degree designed to attract recent graduates into the teaching field and to provide advanced training for experienced teachers.

I introduced that fellowship amendment, in the first instance, and then, as the RECORD will show, I combined that amendment in a joint amendment offered by the Senator from Massachusetts [Mr. KENNEDY] and the Senator from Wisconsin [Mr. NELSON]. We combined the fellowship proposal and the Teacher Corps proposal in one bill. We introduced it and handled it as an amendment in our committee deliberations. We ended with two topics being adopted as separate amendments to the bill, and modified somewhat the Teachers Corps proposal of the two Senators. We also modified somewhat the fellowship proposal I introduced, but we did not modify either proposal in any significant way so as to affect the basic purpose of the two proposals.

We added to these components the grant program for improvement of college and university graduate and undergraduate teacher education which was a part of the administration, July 19, 1965 bill.

Forty percent of the fellowships are for recent graduates, 60 percent are for teachers with 5 or more years of experience. The master's may be taken either in education or in a subject matter discipline. Stipends for recent graduates are \$2,000 for the first year and \$2,200 the second year as in title IV of NDEA. Stipends for experienced teachers are set at \$4,800 per year. For both recent graduates and experienced teachers, provision is made for dependents at the rate of \$400 per year and the necessary travel to the institution at which training is taken. Each institution of higher education accepting such a fellow upon the terms of the bill would receive a cost-of-education allowance of \$3,000 per annum. Between 20 and 25 percent of the fellowships in each category would be reserved for ancillary fields such as special education, school social work, librarians, and vocational educators. A further provision of this part would permit the Commissioner of Education to award up to 20 percent of the experienced teacher fellowships to individuals who have been professional employees of school systems who have been displaced as the result of school population changes resulting from the enforcement of the

Civil Rights Act for the purposes of that act.

The second new title added to this bill was title VI, Financial Assistance for the Improvement of Undergraduate Instruction. Since this title was proposed and argued for most persuasively in committee by my very distinguished colleague, the able senior Senator from Texas [Mr. YARBOROUGH], I shall defer to him in the presentation of this major portion of the higher education bill.

Briefly, Mr. President, title VI, if enacted, as I trust it will be and I strongly support it, will do the following:

It will bring to higher education in a manner similar to title III of NDEA a matching equipment grant program which for the first year is funded at \$35 million and which will rise to \$60 million at the end of the fifth year. There is a faculty development program funded at \$5 million a year, which is the counterpart of title XI of NDEA at the elementary and secondary level. A further section provides \$2.5 million for fiscal 1966 and \$10 million for the following 4 years for acquisition of TV equipment.

Title VII of the bill leads us into amendments to the Higher Education Facilities Act of 1963. These amendments were adopted by the committee in response to the persuasive appeals from Senators on both sides of the aisle, both on the committee and off, who pointed out to us the necessity for their enactment. I ask unanimous consent, Mr. President, that the materials in the committee report relating to title VII of H.R. 9567 be printed at this point in my remarks.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

TITLE VII—AMENDMENTS TO HIGHER EDUCATION FACILITIES ACT OF 1963

ACCOMPLISHMENTS UNDER THE HIGHER EDUCATION FACILITIES ACT OF 1963

Funds for the implementation of the Higher Education Facilities Act of 1963 were first appropriated for fiscal year 1965. During the year program regulations and procedures were defined; staff was assembled in Washington and the nine regional headquarters; and contractual arrangements were negotiated with the Community Facilities Administration for engineering reviews and administration of construction. Of the \$483 million appropriated for the year about \$400 million will be allocated to institutions. This will make possible construction which, in view of the matching, non-Federal funds involved, may well exceed a half billion dollars in value.

Under title I of the act broadly representative higher education commissions to formulate and administer State plans were formed in 50 States and 5 territories. Fifty-three plans were submitted and approved by the Commissioner of Education. Grant agreements were executed for all of the 516 projects submitted to the Office under these plans on behalf of 451 institutions during the year. Under these agreements \$224.4 million were obligated out of \$230 million appropriated under this title. Of these funds \$47.4 million are obligated to public community colleges and public technical institutes and \$177 million to colleges and universities offering a 4-year course of study.

Eighty-five grants for graduate academic facilities under title II of the act were approved by the Commissioner during the year. These were approved on the recommendation

to the Advisory Committee established by the act after site visits of the projects proposed. These grants amounted to \$60 million, the full amount appropriated for the year under this title. Grants were made for the following types of facilities: Libraries (41.47 percent), social sciences and related areas (22.59 percent), physical and earth sciences and mathematics (18.35 percent), engineering and environmental fields (8.41 percent), humanities and fine arts (5.25 percent), life sciences and agriculture (3.43 percent). Grants range in size from \$25,000 to \$3,303,940.

Under title III of the act a Federal loan program of an entirely new kind was launched; under it colleges and universities could for the first time borrow for the construction of facilities which do not produce revenue. During the year 133 loans amounting to \$107.7 million were approved, of which 122 are to private colleges and universities. A total of 143 loan applications from 127 institutions were received and reviewed—the great majority of them in the last half of the fiscal year.

BROADENING THE SCOPE OF ELIGIBILITY FOR UNDERGRADUATE FACILITY CONSTRUCTION

Title I of the Higher Education Facilities Act of 1963 restricts the use of grants for undergraduate facilities to facilities designed for use in the fields of science, mathematics, modern foreign languages, engineering, or for use as library. The bill reported by the committee would broaden the scope of eligibility for projects which may be assisted under title I by eliminating the above-mentioned categorical restrictions. In addition, the requirement that the construction of a facility assisted under title I must result in creating or expanding urgently needed enrollment capacity would be amended to permit creation or expansion of the institution's capacity to carry out extension and continuing education programs to qualify as an alternative basis for assistance under the title. The bill would not change the definition of "academic facilities," which excludes facilities intended primarily for events for which admission is charged, facilities for athletic or recreational activities when not a part of the academic program, facilities for sectarian classroom instruction or worship, and facilities connected with a divinity school.

INCREASED APPROPRIATIONS AUTHORIZATION FOR TITLE I OF THE HIGHER EDUCATION FACILITIES ACT

In broadening the scope of eligibility for grants under title I of the Higher Education Facilities Act of 1963, and particularly in view of the stimulus which this bill provides for new and expanded extension and continuing education centers, the committee considers it reasonable to increase the appropriations authorization for fiscal year 1966 by an additional \$100 million, making a total authorization under title I for fiscal year 1966 of \$330 million.

INCREASED APPROPRIATIONS AUTHORIZATION FOR TITLE II OF THE HIGHER EDUCATION FACILITIES ACT

The committee has also recommended a doubling of the authorizations for title II of the Higher Education Facilities Act. This will result in providing \$120 million in fiscal year 1966 for the program of grants for the construction of graduate academic facilities.

The status of the program as of May 14, 1965, can be summarized as follows:

Federal funds granted in 23 approved applications.....	\$21, 220, 434
Federal funds requested in 89 applications on hand.....	60, 832, 445
Federal funds requested in 42 applications in preparation..	33, 137, 332

Total Federal funds granted and requested.....	116, 323, 019
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In summary, 124 applications had been received by the Office of Education and 76 applications were in preparation, with a total development cost of \$490 million, the Federal share of which would be \$116 million.

Under title II and title III of the Higher Education Act of 1965 assistance is provided for institutional cooperative programs primarily at the undergraduate level. In doubling the authorization for title II of the Higher Education Facilities Act, under which grants may be provided for the construction of cooperative graduate centers, the committee wishes to encourage a more extensive development of cooperative arrangements at the graduate level.

TRANSFER OF ALLOTMENTS FOR PUBLIC COMMUNITY COLLEGES AND TECHNICAL INSTITUTES TO OTHER PUBLIC INSTITUTIONS OF HIGHER EDUCATION

Under section 102 of the Higher Education Facilities Act, 22 percent of the sums appropriated for grants for undergraduate academic facilities under title I is reserved exclusively for construction of facilities for public community colleges and public technical institutes.

The bill would amend the act to provide that a State's allotment for the construction of facilities for public community colleges and public technical institutes may be used instead for the construction of academic facilities for other kinds of institutions of higher education at the request of the Governor of the State. The purpose of the amendment is to avoid penalizing very sparsely populated States in which there are no public community colleges or public technical institutes and the need is to strengthen and broaden education offered in established institutions of higher education.

Since Congress required in the Higher Education Facilities Act of 1963 that the purposes set forth under section 103 of the act be carried out by public institutions, the committee feels that the availability of section 103 funds to 4-year institutions for the construction of academic facilities should be limited to 4-year institutions which are under public supervision and control.

TRANSFER OF ALLOTMENTS FOR OTHER INSTITUTIONS OF HIGHER EDUCATION TO PUBLIC COMMUNITY COLLEGES AND TECHNICAL INSTITUTES

The Higher Education Facilities Act would further be amended to make allotments under section 104 available for the payment of the Federal share under section 103 of the cost of constructing academic facilities for public community colleges and public technical institutions. While the amendment described above would provide for making allotments under section 103 available under certain conditions for the benefit of institutions for which provision is made under section 104 of the act, flexibility should, conversely, be provided to make allotments under section 104 available for the benefit of institutions for which section 103 provides. This additional flexibility is especially needed for American Samoa, Guam, and the Virgin Islands since these territories have no institutions of higher education other than public community colleges and public technical institutions. Guam and the Virgin Islands each has only one institution at the present time, in both cases a public community college, and in these cases there is a greater need, and it is more economical, to improve the existing institutions than to establish new ones. The fiscal year 1965 allotments for Guam and the Virgin Islands are comparatively small and are heavily weighted in favor of a kind of institution which does not exist and is not needed, thus:

Guam:	
Section 103.....	\$19,049
Section 104.....	50,215
Virgin Islands:	
Section 103.....	8,724
Section 104.....	14,669

PUBLIC COMMUNITY COLLEGES AND TECHNICAL INSTITUTES

Under title I of the Higher Education Facilities Act there is a variable matching requirement for Federal grants with respect to construction of facilities in 4-year institutions. That is, the State commission fixes the amount of the Federal share, which cannot exceed one-third of the cost of a project. However, in the case of public community colleges and public technical institutes the Federal share must equal 40 percent of the cost of a project.

The committee has observed that this inflexible provision has resulted in a use of Federal grants which is inconsistent with the objectives of the act. In order to insure that situations do not arise in which an entire State's allotment is obligated to just one project, and to provide for greater flexibility of grant funds for public community colleges and public technical institutes, the committee has recommended that the provision requiring a flat 40 percent be revised along the lines of the variable matching requirement provision for the 4-year institution segment of the program. Thus, the State commission will be provided with the flexibility to fix the amount of the Federal share which cannot exceed 40 percent for projects involving the construction of the public community college and public technical institutes.

INDEFINITE AVAILABILITY OF SUMS APPROPRIATED UNDER SECTION 201

Section 201 of the Higher Education Facilities Act would be amended so that funds appropriated under this section shall remain available for reservation in fiscal years succeeding the fiscal year for which they were appropriated. At the present time appropriations for the establishment and improvement of graduate schools and cooperative graduate centers are, under the provisions of section 201, available for obligation only during the fiscal year for which the appropriation is made. As a consequence, campaigns to stimulate private and corporate contributions to make up non-Federal matching funds labor under a serious disadvantage. Such campaigns often require several years to reach their objective. It is not now possible for institutions, in soliciting contributions for very worthy but highly specialized projects, to expand graduate education to enjoy for more than a fraction of 1 year the fund-raising advantages of a durable obligation of Federal funds in the amount needed. The committee believes that the use of Federal funds under this title would be fairer, more effective, and result in a much more powerful stimulus to private and corporate giving with this amendment.

TWO-YEAR AVAILABILITY OF TITLE III FUNDS

Section 303(c) of the Higher Education Facilities Act would be amended so that funds appropriated under that section shall remain available for reservation until the close of the fiscal year next succeeding the fiscal year for which they were appropriated. With this amendment, funds appropriated would be available for obligation under both titles I and III of the act on comparable terms. Applications for funds out of appropriations for fiscal year 1965 are being received at an accelerating rate. However, many institutions need additional time to develop sources of matching funds and also to secure enabling legislation to permit them to borrow for non-self-liquidating facilities. For both these reasons, the availability of funds for obligation for 2 years, rather than for the single year to which we are presently limited, would strengthen this program and augment the amount of non-Federal capital which could be mobilized under it.

TECHNICAL AMENDMENT TO CONFORM TO NURSE TRAINING ACT

Clause E of section 401(a) (2) of the Higher Education Facilities Act would be amended

so that the definition of schools of nursing established therein (by reference to sec. 724 of the Public Health Service Act) will conform to the definition set forth in section 843 of the Public Health Service Act as amended by the Nurse Training Act of 1964. Without such amendment, the former definition would remain more narrow than the latter and in consequence some kinds of schools of nursing, after June 30, 1965, have the option of applying for financial assistance for the construction of facilities under the Higher Education Facilities Act of 1963. This would, however, be contrary to the intent of Congress in framing the Nurse Training Act of 1964, which was to concentrate programs of Federal financial assistance for the construction of facilities for the training of health personnel under legislation for that special purpose.

Mr. MORSE. Finally, Mr. President, title VIII of the bill contains general provisions relating to the various titles, and I shall not dwell further upon them at this time.

To conclude, Mr. President, I urge passage of the bill as reported to the Senate. It is a carefully considered piece of legislation. In my judgment, it is a necessary piece of legislation, and an overdue piece of legislation. It is necessary because we live in an era of promise and danger. It offers promise because science, technology, business, and general understanding of life have made such rapid and striking advances that man has within his grasp the greatest opportunities ever known. At the same time, it presents grave dangers because man must learn how and know how to utilize the electrons, the mechanical devices, the new way of life, and the altered view of the universe, or else he is overwhelmed and demolished by them.

The call is clear and distinct for a better and expanded program of higher education which will train and equip men and women to meet the challenges and responsibilities of the modern age.

Therefore, I am highly honored at this time to offer this bill to the Senate for passage because its passage, in my judgment, and its signature eventually by the President, would give mankind, as well as the young people of America, hope that we shall come to grips successfully with the great challenges that face us in this age of electronics.

Mr. JAVITS. Mr. President, I intend to speak for only a minute and then yield to my colleague the senior Senator from West Virginia. However, I wish to say at this time that tributes are generally paid after a bill is passed. I hope that we shall be able to do that today.

The work of the senior Senator from Oregon in bringing this bill to the floor with the unanimous support of the Committee on Labor and Public Welfare is of such an extraordinary quality that I feel that that alone, whatever else ensues, deserves the highest encomium of which not only I am capable but also the entire world of education.

It is extraordinary that a man of so many abilities in so many fields becomes the most adroit, intelligent, wise judge, conciliator, and friend when he is in charge of a bill that any committee could ever have.

It is most extraordinary. I say to the Senator that I am not given to banal-

ties. Therefore, I make this special point because we know the Senator as a man who stands alone in many things. However, when it comes to his handling this legislation, it is extraordinary to witness the gifted performance which he has given. This is but one of a series of examples.

I believe that the country should be very proud of WAYNE MORSE in his handling of a bill in such a sensitive and highly important field.

The pending measure is probably as vital to the future of the Nation as any other legislation we have had or will have.

It is somewhat difficult to realize the fact that the committee agreed upon the report by a unanimous vote.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. MORSE. I really should not have asked the Senator to yield because I do not know what to say except to tell the Senator of the great help that he has been to me and of my great appreciation for the warm friendship which has existed between us.

I want the RECORD to show—as I have said in committee, as the Senator knows—so that the American people may know, that this bill would not be before the Senate today if it were not for the cooperation, the help, and the contributions made to the bill by the Republicans on my subcommittee, the senior Senator from New York [Mr. JAVITS], the junior Senator from Vermont [Mr. PROUTY], and the junior Senator from Colorado [Mr. DOMINICK].

Every Republican on the subcommittee and on the full committee made contributions to this bill and made it possible for us to bring the bill, unanimously voted for by the committee, to the Senate.

What more can I say except to say to the Senator again that it is a great honor to serve with him on the committee. I shall always appreciate the kind words he has just uttered.

I warn him that I would not be a bit surprised if his statement did not creep into my campaign literature in 1968.

Mr. JAVITS. Mr. President, I shall have to run that risk. I am sure that the opponent of the senior Senator from Oregon at that time will find many things to counterbalance my statement.

Like every first-rate captain, the Senator thanks his team. We are all very grateful to him.

Mr. President, I now yield to the Senator from West Virginia.

HIGHER EDUCATION ACT OF 1965 IS RESPONSIVE AND COMPREHENSIVE APPROACH TO NATIONAL NEEDS—WEST VIRGINIA TO RECEIVE SIGNIFICANT BENEFITS

Mr. RANDOLPH. Mr. President, it is a privilege at this time to voice my support for H.R. 9567. I am a cosponsor of the original bill, S. 600. It was my responsibility to work closely with other Senators on this measure and to have participated in its consideration in both subcommittee and full committee.

As a member of the Committee on Labor and Public Welfare, it has often been my duty to review programs which aid in

the education of our Nation's young people. With due respect for the work of past Congresses on higher education legislation, I state with emphasis that the Higher Education Act of 1965, when enacted, will be the most significant law in the field of higher education since the enactment of the Land-Grant College Act.

This is true because the bill recognizes and underscores the fact that support for higher education must be both varied in approach and coordinated in effort. Two years ago, when we enacted the Higher Education Facilities Act of 1963, we gave assistance in a specific area of need—facilities. However, experience has demonstrated that the need is as immediate, if not more so, in other areas.

The need for university extension and continuing education programs in urban and rural areas, for books, for training and research in college libraries, for a comprehensive student assistance program, for strengthening underdeveloped colleges, for highly qualified teachers, and for adequate educational media has been pointed out by persons knowledgeable in education. Now we have the opportunity to take action in satisfying these needs. In evaluating this legislation carefully I have come to the conclusion that it is the best higher education bill to be offered in the Senate since I became a Member of this body.

As the Senator from New York [Mr. JAVITS] has so effectively stated, much of the credit for assembling and refining this comprehensive measure must go to my cherished friend and colleague from Oregon, Senator WAYNE MORSE. As chairman of the Subcommittee on Education he has maintained the closest contact with citizens and groups throughout the Nation who are vitally concerned with strengthening higher education. Throughout the Senate hearings, and during lengthy executive sessions of the subcommittee, Senator MORSE sought to steer a course of responsibility and responsiveness. He listened with patience to the witnesses and the arguments, and he endeavored to sift from each the ideas which would make this a more effective law.

Mr. President, I join in applauding the productive efforts of Senator MORSE in bringing to the Senate the higher education bill of 1965. I congratulate him, and assure him that it was a rewarding experience for me personally to have labored at his side during the preparation of this significant and complex legislation.

Mr. President, the Higher Education Act of 1965 will combat some of the major problems that have plagued colleges and universities in our Nation in recent years.

The principal provisions of the bill will:

First, assist institutions of higher education in establishing extension and continuing education programs designed to help solve some of the problems of urban and suburban areas;

Second, upgrade the quality of college libraries by grants for the purchase of library materials for research and

training in librarianship, and for expanding the services of the Library of Congress to other libraries;

Third, improve the quality of higher education by assisting intercollegiate cooperative arrangements and by establishing a national teaching fellowship program to attract outstanding young scholars to teach in developing institutions;

Fourth, extend the benefits of college education to more students by providing undergraduate scholarships to needy students; by establishing, assisting, and stimulating programs of insured reduced-interest loans for college students; by extending and expanding the college work-study program; and by expanding the National Defense Education Act of 1958;

Fifth, establish a National Teachers Corps to strengthen the educational opportunities available to children in areas having high concentrations of low-income families and encourage colleges and universities to broaden their programs of teacher preparation;

Sixth, improve the quality of undergraduate classroom instruction in selected subject areas by authorizing funds for equipment purchases and for faculty development programs; and

Seventh, increase the number and capacity of academic facilities by raising the appropriations of titles I and II of the Higher Education Facilities Act of 1963, Public Law 88-204.

The benefits of the Higher Education Act of 1965 to the institutions, students, and residents of West Virginia are both significant and varied. Certain aspects of these benefits can be given in detail, others must be estimated, and still others depend on the desires and actions of the people and the institutions of higher education in the State.

TITLE I—COLLEGE AND UNIVERSITY EXTENSION AND CONTINUING EDUCATION

This title would authorize the Commissioner of Education to make grants to institutions of higher education in States which have designated a State institution or agency to submit a plan outlining its program to strengthen extension and continuing education. The plan would set forth:

First, if an institution of higher education administers the program, the establishment of an advisory council representative of institutions in the State which are competent to participate in the program;

Second, a comprehensive coordinated statewide program of projects assisted under this title;

Third, policies and procedures for the allocation of funds to insure that effective programs are available where the specific need exists; and

Fourth, periodic evaluation of projects and programs in relation to the needs and problems within the State.

The types of projects and activities possible under this title include: studies of employment problems and of economic growth possibilities; appraisals of welfare administration and effectiveness; seminars on antipoverty projects;

courses to train subprofessional personnel as aids in the health services and social work; conferences and seminars on the problems associated with segregation and with measures taken to promote desegregation; and courses for professional people such as doctors, lawyers, and administrators to relate the findings of research, the significance of current events, and new techniques to their responsibilities to the public. Of the \$25 million authorized under title I for 1966 fiscal year, \$239,629 would be allocated for grants in West Virginia.

TITLE II—COLLEGE LIBRARY ASSISTANCE AND LIBRARY TRAINING AND RESEARCH

Title II provides for four types of grants to institutions of higher education which are designed to improve the quality of library services in colleges and universities: First, basic grants of \$5,000 to each institution for the purchase of library materials; second, supplemental grants of up to \$10 per full-time student to institutions whose lack of adequate library resources hinders the development of the institutions; third, special purpose grants to institutions demonstrating special needs for additional resources in order to meet national or regional needs in the library and information sciences; and fourth, grants to assist in the development, expansion, and improvement of programs to train persons in librarianship, to assist trainees with stipends and allowances, and to assist in the conducting of research in the field of the library and information sciences.

In West Virginia there are approximately 19 institutions which would be eligible to receive basic grants under this title. This means that up to \$95,000 could be granted to colleges in West Virginia. It is possible that as much as \$320,000 would be granted to West Virginia institutions as supplemental grants.

There is no way to give an adequate estimate of what the amounts of special purpose grants and research and training grants to institutions in West Virginia would be. This is entirely dependent on the desires of the colleges and universities and on their qualifications. However, representatives of West Virginia institutions have indicated an interest in both types of grants.

TITLE III—STRENGTHENING DEVELOPING INSTITUTIONS

Title III provides a 5-year program of grants to institutions of higher education and to teaching fellows to assist in raising the quality of developing institutions. Fiscal year 1966 authorizations would be \$55 million.

West Virginia is fortunate in that none of its many 4-year colleges and universities, according to the 1964-65 Education Directory, lack accreditation and that, in general, the institutions are of high quality. However, participation in this program would not be limited by this high quality.

Three of its four junior colleges listed in the directory lack accreditation by the regional accreditation association and should be able to take full advantage of this title.

Grants could be used to assist West

Virginia institutions in making cooperative arrangements to aid such developing institutions in the State as well as such institutions in other States.

TITLE IV—STUDENT ASSISTANCE

The various parts of the title offer aid in all of the major forms of student assistance now available in the United States. It is a major step toward providing all our youth the opportunity to attend college regardless of their financial situation.

Part A would establish a program of undergraduate scholarships for students from families with incomes which do not permit significant family contributions toward the student's college education.

Part B is designed to establish and improve insured student loan programs with Federal interest subsidies on the loans. Each State would receive a grant to assist in establishing or strengthening reserve funds for student loan programs. Until the States establish comprehensive programs, the Federal Government would insure student loans. The Federal Government would also subsidize interest payments on all loans made under this part for families with adjusted annual incomes of less than \$15,000.

West Virginia would receive \$177,411 for a reserve fund to insure loans.

Part C would extend and broaden the college work-study program which was established by the Economic Opportunity Act of 1964. The eligibility criteria would be based on need rather than the original requirement that participants be from low-income families.

Part D would allot an increased authorization for West Virginia of \$114,000 under title III of the National Defense Education Act for grants to public schools and of \$3,400 for loans to private schools for the purchase of laboratory equipment.

The subject areas of titles III and XI would be expanded and the loan forgiveness provision would be expanded to permit persons who teach in areas of high concentration of low-income families to cancel their entire obligation at the rate of 15 percent per year. The benefits under title XI to West Virginia cannot be determined.

Estimated benefits of title IV to the students of West Virginia are as follows: All calculations are based on estimated averages.

Part	Number of participants	Amount of grants or loans to be used or available in West Virginia
Part A (scholarships).....	1, 710	\$855, 236
Part B (insured loans: does not include amount of interest subsidy).....	7, 500-8, 500	5, 600, 000
Reserve fund.....		177, 411
Part C.....	3, 500	1, 579, 000
Part D (grants and loans).....		118, 000
Total.....	12, 700-13, 700	8, 329, 647

TITLE V—TEACHER PROGRAMS

Title V will establish an Advisory Council on Teacher Preparation, a National Teachers Corps, a fellowship program for teachers, and provide grants to

institutions of higher education for improved teacher education.

The Advisory Council, under part A, would be established in the Office of Education to review the fellowship and Teacher Corps programs and other teacher preparation programs.

Part B provides that the Teacher Corps would be funded at \$36,100,000 for fiscal year 1966. This program in its first year would permit approximately 6,000 individuals either alone or as members of a teaching team to provide teaching services in local school districts. Teacher corpsmen would be available for those areas of West Virginia with high concentrations of low-income families.

Part C would authorize the Commissioner of Education to support fellowship programs for graduate study leading to a master's or equivalent degree for the purpose of serving in elementary, secondary, or postsecondary vocational schools. Of the total number of fellowships, 40 percent would be awarded to recent recipients of a bachelor's degree graduating with high standing who are recommended by institutions of higher education.

The remaining 60 percent would be awarded to persons with at least 5 academic years of experience teaching in an elementary, secondary, or postsecondary vocational school. Four thousand five hundred fellowships would be authorized in 1966; 10,000 in 1967; and 15,000 in each of the 3 succeeding years.

Part D would provide the Commissioner of Education with \$5 million for fiscal year 1966 and each of the 4 succeeding fiscal years for grants to pay part of the costs of improving graduate and undergraduate teacher training programs in institutions of higher education.

The exact benefits for West Virginia under this title cannot be determined but the people of the State have expressed an interest in this program.

TITLE VI—FINANCIAL ASSISTANCE FOR THE IMPROVEMENT OF UNDERGRADUATE INSTRUCTION

Part A of this title would make available to institutions of higher education \$35 million for fiscal year 1966 for the acquisition of laboratory and other special equipment. It would also authorize \$2.5 million for fiscal year 1966 to be used by institutions of higher education for the acquisition of television equipment and materials and to pay for minor remodeling necessary for the use of such equipment.

Part B would authorize \$5 million for fiscal year 1966 for the operation of short-term workshops or short-term or regular session institutes for individuals preparing to use educational media equipment in teaching in institutions of higher education or individuals preparing to become specialists in educational media or librarians or other specialists using such media.

West Virginia would be eligible for \$345,000 under part A but there is no State allocation under part B.

TITLE VII—AMENDMENTS TO HIGHER EDUCATION FACILITIES ACT OF 1963

Title VII increases the authorization in titles I and II of the Higher Education Facilities Act of 1963. The existing au-

thorization for title I would be amended to provide \$100 million more than the original \$230 million for grants to colleges and universities for construction of undergraduate facilities. Title II authorizations for construction of graduate facilities would be increased from \$60 to \$120 million.

Three million, four hundred and fifty-five thousand, nine hundred and twenty-eight dollars would be allocated to institutions in West Virginia under the provisions of title I. There is no State allocation under title II.

*Estimated total benefits of the bill
(H.R. 9567) to West Virginia*

	Amount
Title I.....	\$239, 629
Title II (does not include special grants or research and training grants).....	415, 000
Title III (estimates not available).....	
Title IV.....	8, 329, 647
Title V* (estimates not available).....	
Title VI (does not include part B).....	345, 000
Title VII (does not include grants for graduate facilities).....	3, 455, 928
Total.....	12, 785, 204

This total should not be construed to be the total benefit of the bill to West Virginia. It does not include all of the benefits of titles II, VI, or VII nor does it include any of the benefits in title III or V.

Mr. President, I am certain of the potential benefits of the Higher Education Act of 1965 which will accrue to the citizens of West Virginia and the Nation.

Mr. MORSE. Mr. President, the Senator makes it as difficult for me to reply as did the Senator from New York. I say goodnaturedly that I am more interested in getting the bill passed than in being buried, but I would be less than human if I did not take note of the eulogies. I would also be derelict if I did not let the RECORD show my appreciation of the contributions the Senator from West Virginia has made to the bill. The people of the country and the people of his State should know of my belief, for whatever it may be worth, that in my judgment there is no Senator who is a better authority or has a broader knowledge of the problems of the smaller colleges of America than does the Senator from West Virginia [Mr. RANDOLPH].

The record is replete with the contributions of the Senator from West Virginia. Almost automatically we turned our eyes to the Senator from West Virginia to hear his views on such problems. But his knowledge is not limited to small colleges. He is versed in all aspects of this problem.

I do not know the attendance record—I do not pay attention to those statistics—but I know there was fine attendance by all my colleagues. There was a particularly fine attendance record by the Senator from West Virginia, and fine assistance in questioning witnesses and recommending witnesses. The record will show his contributions time and time again. As I did the Senator from New York, I thank the Senator from West

Virginia. But I plead that the Senate get on with its job of passing the bill and considering it section by section.

Mr. JAVITS. Mr. President, I ask unanimous consent that I may yield to the Senator from Montana [Mr. METCALF] without losing the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. METCALF. Mr. President, I shall offer an amendment on behalf of myself and Senators MOSS, BIBLE, BARTLETT, GRUENING, CHURCH, BURDICK, INOUE, MCGOVERN, BOGGS, FONG, and MCINTYRE to this bill. This amendment would provide—

Mr. JAVITS. Mr. President, may we have the amendment offered?

Mr. METCALF. I am not going to offer it at the present time.

Additional Federal funds required under title I of the Elementary and Secondary Education Act of 1965 to establish a \$75,000 minimum State allotment for administration costs

	Present maximum administration costs allowable	Additional Federal funds required to establish a \$75,000 minimum State allotment for administration costs	Revised maximum administration costs allowable
Alabama.....	346,345.67		346,345.67
Alaska.....	15,517.98	59,482.02	75,000.00
Arizona.....	103,600.05		103,600.05
Arkansas.....	226,000.21		226,000.21
California.....	778,862.86		778,862.86
Colorado.....	95,885.86		95,885.86
Connecticut.....	71,965.04	3,034.96	75,000.00
Delaware.....	19,752.17	55,247.83	75,000.00
District of Columbia.....	53,819.27	21,180.73	75,000.00
Florida.....	274,789.37		274,789.37
Georgia.....	373,423.41		373,423.41
Hawaii.....	23,749.44	51,250.56	75,000.00
Idaho.....	24,466.30	50,533.70	75,000.00
Illinois.....	391,767.88		391,767.88
Indiana.....	183,780.29		183,780.29
Iowa.....	186,529.57		186,529.57
Kansas.....	104,829.63		104,829.63
Kentucky.....	301,313.30		301,313.30
Louisiana.....	383,442.21		383,442.21
Maine.....	40,142.13	34,857.87	75,000.00
Maryland.....	152,492.38		152,492.38
Massachusetts.....	165,396.89		165,396.89
Michigan.....	\$347,275.68		\$347,275.68
Minnesota.....	245,092.12		245,092.12
Mississippi.....	308,942.44		308,942.44
Missouri.....	298,579.37		298,579.37
Montana.....	36,316.45	\$38,683.55	75,000.00
Nebraska.....	69,201.91	5,798.09	75,000.00
Nevada.....	9,499.69	65,500.31	75,000.00
New Hampshire.....	14,522.58	60,477.47	75,000.00
New Jersey.....	245,602.86		245,602.86
New Mexico.....	97,898.95		97,898.95
New York.....	1,096,393.48		1,096,393.48
North Carolina.....	528,260.63		528,260.63
North Dakota.....	52,198.93	22,801.07	75,000.00
Ohio.....	391,856.91		391,856.91
Oklahoma.....	173,759.21		173,759.21
Oregon.....	81,668.14		81,668.14
Pennsylvania.....	559,414.28		559,414.28
Rhode Island.....	40,395.55	34,604.45	75,000.00
South Carolina.....	274,787.21		274,787.21
South Dakota.....	68,930.29	6,069.71	75,000.00
Tennessee.....	322,062.25		322,062.25
Texas.....	781,970.18		781,970.18
Utah.....	28,208.24	46,791.76	75,000.00
Vermont.....	17,313.78	57,686.22	75,000.00
Virginia.....	306,192.94		306,192.94
Washington.....	107,463.03		107,463.03
West Virginia.....	169,912.25		169,912.25
Wisconsin.....	177,014.78		177,014.78
Wyoming.....	14,636.60	60,363.40	75,000.00
Total.....	11,183,242.59	674,363.70	11,857,606.29

¹ Figure based on 1 percent of maximum amounts authorized to States as of Aug. 20, 1965, IBM figures (Alaska figure revised as of Aug. 27, 1965). Rounding to nearest whole cent results in \$0.01 discrepancy between figure total here and IBM figure of \$11,183,242.58.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. MORSE. As the Senator knows, I am favorably inclined to his amendment. We shall be considering in com-

The amendment would have provided a \$75,000 minimum by providing that local educational agencies of each State administer title I of the Secondary-Elementary Educational Act.

Title I now provides that each State agency should have 1 percent of the amount allocated. The 1-percent provision is ample in many States, but in many more sparsely populated States, where there are many school districts, it would not be adequate or sufficient.

I ask unanimous consent to have printed in the RECORD at this point a breakdown of the amount that would be provided under present law and under my amendment.

There being no objection, the breakdown was ordered to be printed in the RECORD, as follows:

mittee and, we hope, on the Senate floor next week or in the next few days thereafter, a House bill which is an appropriate vehicle for the adoption of the proposal of the Senator from Montana in my judgment. I ask the Senator, if he

could not agree with me that his amendment would be more appropriately included in the House bill to which I have reference, than the bill before us this afternoon?

That is my understanding of the parliamentary situation. I want the Senator to know that when the subcommittee takes up the House bill in executive session within the next week or the week thereafter, he will find me giving him support in connection with that bill.

If that is satisfactory to him, I would prefer not to have the amendment offered this afternoon, but offered to the House bill we shall soon be reviewing.

Mr. METCALF. That is the reason I did not offer it. I expected the Senator from Oregon to make that response.

I agree that the amendment should go in the appropriate place in the House bill rather than the bill now before the Senate. My amendment is an important amendment which should be adopted before Congress adjourns. I am delighted to have the assurance of the Senator from Oregon that it will be offered to the House bill.

If the Senator from New York will yield to me for one more minute, I, too, wish to pay tribute to the Senator from Oregon.

In all the history of the United States there has never been an educational program enacted such as the one under the leadership of the Senator from Oregon. Not since the leadership of Senator Morrill a hundred years ago have we had the kind of leadership we have had since the Senator from Oregon assumed the leadership of the subcommittee.

The boys and girls of America and the families of America for another 100 years will praise the distinguished Senator from Oregon just as they praised Senator Morrill and other great leaders of education.

This is a culmination of one of the finest educational programs that has ever been put together. This is the culmination of a drive of two decades for Federal support of education; and under the leadership of the Senator from Oregon we have been able to achieve it and bring it to the floor.

Mr. MORSE. Mr. President, will the Senator from New York yield?

Mr. JAVITS. I yield.

Mr. MORSE. I thank the Senator from Montana very much. He has always been one of those who have made contribution after contribution to legislation.

On behalf of my committee I want the Senator to know that we always consider him a special consultant to the committee and thank him for his help.

Mr. METCALF. I thank the Senator. I am glad.

Mr. JAVITS. Mr. President, I believe the Senator from Montana used excellent judgment in withdrawing his amendment. I am the ranking minority member of the committee, and, like the Senator from Oregon, I have the greatest sympathy for this amendment. I understand its nature, and I will do my utmost to cooperate in obtaining some results from the amendment.

Mr. METCALF. I thank the Senator.

Mr. JAVITS. I shall not reiterate anything said by my colleague, the Senator from Oregon, but I wish to make certain points briefly that I consider significant in this connection.

It has been properly said that this is probably the leading proposal in education and will stand beside the Morrill Act and the National Defense Education Act as the principal pillar supporting the structure of college and university training in the United States.

I believe it is fair to say that Congress, by passing the bill today, will be legislating for today and tomorrow. Happy indeed are the legislators who can pass a measure which looks forward to tomorrow or takes care of the needs as adequately and effectively as I find this measure does.

Second, this is a measure in which the highest degree of partisanship within bipartisanship was exercised; the rivalry between Republicans and Democrats on the committee was to find which could contribute the most constructive means to achieve the goals we seek. Hence, it is a legislative achievement of the first rank.

As has already been said, the bill had the unanimous support of the minority members of the committee. This is consistent with the historic sponsorship and support in the Congress of education legislation on a bipartisan basis.

We confront a critical problem. College costs are rising 5 percent annually; 5.2 million students are now enrolled in higher education; by 1970 there will be 7 million; and by 1973 there will be 8 million. More colleges are coming into being every year. We now have about 2,300 colleges, but about 10 percent of the baccalaureate-granting institutions are not accredited, indicating the critical need for title III of this bill which seeks to develop colleges which have not reached an adequate stage of attainment in terms of the education they can offer young people. The bill recognizes the population explosion in the United States. It also recognizes the knowledge explosion which has made college libraries inadequate, which requires more trained teachers, which requires teachers with advanced degrees to a greater degree than ever; which requires special help to developing institutions; which requires more complex and advanced laboratory equipment, new concepts of teaching, and continuing college level education for those who have completed their schooling and have embarked upon life careers.

All of this is covered by the bill.

Then—and this point always arises in matters of this character, and I say it advisedly, considering its objectives—the bill is not costly. On the contrary, failure to enact the bill will be far more costly to the people of the United States and especially to the future of the United States.

The bill is distinguished, in my judgment, by its loan features, in which it has made a very impressive breakthrough. We know that a college graduate earns upward of \$100,000 more dur-

ing his lifetime than the individual who lacks this training. This is shown by many surveys. Those with advanced degrees earn still more. A recent survey by the College Placement Council, for example, shows that the monthly starting pay for the holder of a bachelor's degree in chemistry is \$593; with a master's degree his monthly salary is \$703; and with a doctor's degree his monthly starting salary would be \$998.

We are doing something to contribute greatly to the economic strength as well as to the scientific vitality of the country.

I said a moment ago that one of the most outstanding aspects of the whole measure is in the loan title. In the bill we are authoring a new program which, in my judgment, is the most imaginative kind of program since the National Defense Education Act provisions.

Under part B of title IV, an insured interest loan program is provided, under which the student may borrow from banks and other non-Federal loan funds up to \$1,000 annually to finance his studies. This introduces private enterprise into the effort in a most effective way, and utilizes all of its resources. At the same time it gives that degree of government assistance which makes feasible the entry of private enterprise into the bill.

As I have said, under the bill the student could borrow from banks and other non-Federal loan funds up to \$1,000 annually to finance his study. The loan is to be guaranteed by State or private nonprofit loan guarantee funds, or by the Federal Government when private funds are not available. The student is not obliged to commence repayment until 9 months after he has completed his studies. In that respect it is like the National Defense Education Act loan program. In addition, provision is made for Federal payment of the interest on his loan during his college years and a subvention of up to 3 percent annually thereafter, so that the effective interest the student pays on his loan is not greater than what he would pay under a National Defense Education Act loan direct from the university or college.

By doing this, we release hundreds of millions of dollars in credit, which will service the needs for loans of hundreds of thousands of students.

This is quite remarkable, in view of the relatively small amount of appropriations required for this purpose. We authorize only \$17,500,000 in appropriations through fiscal 1968 to assist in establishing or strengthening the State and private nonprofit student loan programs.

Let us understand that, as is true of FHA—and FHA has, indeed, operated at a profit—we have every right to look to this guaranteed loan plan to cost us very little. Nineteen States already have active student loan insurance programs and three more have plans which will be operative shortly. I am proud to say that includes the State of New York, which I and the present occupant of the Chair represent. The United Student Aid Fund, the Nation's largest non-

profit student loan guaranty organization, is operating in cooperation with 685 colleges and 5,522 banks in 49 States—in all but one State. It is guaranteeing loans at the rate of \$30 million annually, and the rate is growing every year as more and more young people seek to advance themselves through a college education.

In short, this is an extraordinarily gifted program, requiring relatively little in order to carry it through, and it will have enormous repercussions on the opportunity afforded to our youth of the country who are entitled to a college education to attain it.

The authorization for advances to States and nonprofit private funds and the authorization to insure up to \$700 million annually for fiscal year 1966 and more thereafter is sufficient to cover all projected needs, even if students seek to borrow the full amount authorized, which is unlikely. Experience has shown that young people do not tend to overborrow for their education. Indeed, the experience of the United Student Aid Fund, the largest private nonprofit loan program in the Nation, reveals a delinquency rate of only about 1 percent. Incidentally, that is one of the big commendations for the private enterprise program, because the National Defense Education Act experience shows a delinquency of up to 16 percent.

With private enterprise administering the loan program, it is much more likely to be lower in cost than when the Federal Government administers it. I am sure that will be the actuarial record which we shall see as a result of this history-making program of guaranteed private loans for college education.

Another point which I believe to be worthy of note is the scholarship portion of the bill. Let us not be deceived by the word "scholarship." This is a scholarship for needy students. The scholarships would range from \$200 to \$800 a year, with a special provision—of which I am proud to be the author, incidentally—adding \$200 to that scholarship, making a maximum of a thousand dollars, to students from low-income families, who place in the upper half of their classes. This is the first time that we have recognized scholastic excellence while the student is going to college. In connection with scholarships we have generally recognized the student's preceding record. Here is a provision by which we give a bonus to the student who maintains a high level of scholarship while he is attending college.

Senator MORSE has spoken of the amendment, of which I am proud to have been the author, providing for 15 percent of the allocation of scholarship aid to colleges and universities within a State to go directly to the State's own scholarship fund on an even-matching basis, to be used for needy but meritorious students. This offers a kind of "carrot" to the State to increase its scholarship fund for needy students.

There are many other amendments which are worthy of note. I shall mention only a few. I am proud that the minority has been responsible for so many. They are all detailed in the addi-

tional views, carried in the committee report. I hope they will have the attention of every Senator.

I should like to point to a provision sponsored by the Senator from New Jersey [Mr. CASE], as well as by the Senator from Texas [Mr. TOWER], making more flexible the use of funds for construction grants to public community colleges and public technical institutes under the Higher Education Facilities Act. This has helped in materially improving the amounts which will effectively be made available for this kind of help.

I should also like to take special note of the provision in title II to help improve library services. There are great deficiencies in the library services, even in such big and relatively wealthy States as my own State of New York. There are many institutions with inadequate libraries in the 134 4-year institutions with libraries in the State of New York. Notwithstanding, despite the great munificence of alumni, it is almost impossible to obtain from private sources necessary contributions to support the libraries.

The great incentive which will be given by the aid contained in this bill will be of extraordinary help in that regard, and is one of the most commendable aspects of this very commendable measure.

The Senator from Vermont [Mr. PROUTY] is in the Chamber, and I should like to say a word especially about him, as he is the ranking minority member on the Education Subcommittee and led the minority side on the key work of the subcommittee in this field. A little research demonstrates that Senator PROUTY represents the same State that was represented by Senator Justin S. Morrill, of Vermont, the author of the pioneering Morrill Act of 1862, which allotted substantial land grants to the States for the establishment of agricultural and mechanical colleges. It is therefore entirely in this great tradition that Senator PROUTY was responsible for so many constructive amendments to the bill, among them extending National Defense Education Act loan forgiveness to teachers in poverty impacted areas, broadening the Higher Education Facilities Act to include arts and humanities, broadening the title V fellowship program to include nonpublic school teachers, adding industrial arts to title IX of the National Defense Education Act, and adding economics to titles III and IX of the National Defense Education Act, to name a few.

Those are some of the enormous contributions the Senator from Vermont has made.

I should like also to note the extraordinarily fine contribution made by the Senator from Colorado [Mr. DOMINICK], a new Senator, who has already proved his great worth, especially in the area of library services, in which he rendered extraordinary service in his amendment postponing the cutoff of the National Defense Education Act Institutes for School Libraries, for example, and in many other respects improved the bill.

Finally, Mr. President, a word of com-

mendation on behalf of the minority for the constructive and helpful cooperation received from the Office of Education and its representatives, Dr. Samuel Halperin, Director of the Office of Legislation, and Chester Relyea of the Office of the General Counsel.

There has been great praise, and quite properly, for the majority staff, which did such a fine job. I should like to say a word for the minority staff. Roy Millenson, minority clerk, and Stephen Kurzman, minority counsel, have done a service of inestimable benefit to the bill and to the Nation, as well as to the minority. Without these dedicated staff members, and without the brilliant efforts of Charles Lee and Jack Forsythe of the majority staff, I do not believe we would be here today in such an effective posture for a historic advance in meeting the Nation's obligations to its own future in the higher education field.

Mr. President, I yield the floor.

Mr. RANDOLPH subsequently said: Mr. President, as stated earlier in the debate, I enthusiastically support H.R. 9567, a bill designed to strengthen the educational resources of our colleges and universities and to provide financial assistance for students in postsecondary and higher education. It was my responsibility to be a cosponsor of this measure approved unanimously by our Subcommittee on Education of the Senate Committee on Labor and Public Welfare, and the full committee.

In his educational message to the Congress, President Johnson clearly described the status of higher education in the United States and recommended remedies for alleviating some of its deficiencies. Unparalleled change and expansion in science and technology, cultural achievement, and in enhancing the lives of all citizens has placed a heavy responsibility on colleges and universities. They must train men and women to cope with the serious problems confronting this Nation and the world. Our institutions must do this in the face of rapidly expanding enrollments, enlarged faculties, the mounting number and complexity of courses, and increased cost.

An essential bulwark in the higher educational program is the library. As one authoritative statement stresses it:

The library should be the most important intellectual resource of the academic community. Its services, given by a competent staff of adequate size, should be geared to implement the purposes of the college's general program and to meet the specific educational objectives of the institution * * *. Beyond supporting the instructional program to the fullest extent, the library should endeavor to meet the legitimate demands of all its patrons, from the senior professor engaged in advanced research to the freshman just entering upon the threshold of higher learning.

Mr. President, the effectiveness of the library in fulfilling its functions to the college program may be measured in terms of books and journals, personnel, buildings, and finances.

From the national viewpoint, when we look at some of these factors, we discover serious deficiencies. For instance, when the national standards are applied with respect to the 4-year institutions, ap-

proximately 50 percent fall below the minimum, as do 80 percent of the 2-year institutions.

The State of West Virginia has been making splendid progress in strengthening its libraries in institutions of higher education, but we continue to face serious problems.

In the United States, only 129 libraries in institutions of higher education contain 300,000 or more volumes. One of these, I am gratified to state, is West Virginia University, with over half a million volumes. However, of the 16 4-year institutions in our State with libraries of under 300,000 volumes, 15 do not meet standards. In the case of the 2-year institutions, three in number, none meet the standards for books. It is evident, therefore, that prompt attention must be given to ways of increasing these sorely needed library resources.

Libraries must have adequate financial support. After careful consideration of the matter, competent authorities have decided that 5 percent is the reasonable proportion of the total educational and general budget to be devoted to the adequate operation of the library. Actually, the present average expenditure for all colleges in the United States is only 3.5 percent, instead of the recommended 5 percent.

In West Virginia, of the 17 4-year institutions of higher education, 14 do not meet the national support standard for their libraries. Of the three 2-year institutions in my State, two spend less than the recommended 5 percent of the total operating budget of the college.

These shortcomings will be remedied in part by the three types of grants provided in S. 600: Basic, supplemental, and special purpose.

Of special satisfaction to me are the provisions in S. 600 for training and research in the field of librarianship. The shortage of 125,000 trained librarians, which was repeatedly called to our attention while considering this bill, is not just another statistic to be taken lightly. To ignore the lack of librarians means we are crippling our Nation's forward stride toward quality education to meet the national needs and to utilize the ability of every citizen.

President Johnson stressed in his message that higher education was a necessity, not a luxury. By passing the Higher Education Act of 1965, we are making a progressive step toward providing increased opportunity and excellence in education for our people.

Mr. DIRKSEN. Mr. President, I offer an amendment and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 212, line 15, insert "or any other Act" after the word "Act".

On page 212, line 21, immediately before the period, insert a semicolon and the following:

"or the membership practices or internal operations of any fraternal organization, fraternity or sorority, any private club or any religious organization of any institution of higher education".

Mr. TOWER. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield to the Senator from Texas.

Mr. TOWER. With the permission of the Senator from Illinois, I should like my name to be added as a cosponsor of the amendment.

Mr. DIRKSEN. I am pleased to have the Senator from Texas as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ERVIN. Mr. President, will the Senator yield further?

Mr. DIRKSEN. I yield to the Senator from North Carolina.

Mr. ERVIN. Mr. President, the Senator from Oklahoma [Mr. MONRONEY], the Senator from Mississippi [Mr. STENNIS] and I had prepared an amendment which we intended to offer to this bill, which is substantially similar to the amendment offered by the Senator from Illinois.

For that reason, we shall withhold the submission of the amendment which we prepared, and I ask the Senator from Illinois if he would be so gracious as to permit the Senator from Oklahoma, the Senator from Mississippi, and myself to become cosponsors of his amendment.

Mr. DIRKSEN. I should be delighted to have them do so.

Mr. ERVIN. Will the Senator from Illinois yield for a unanimous-consent request, with the understanding that by so doing he will not lose his right to the floor?

Mr. DIRKSEN. I yield.

Mr. ERVIN. Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of all the remarks made by the Senator from Illinois in support of his amendment the text of an amendment prepared by the Senator from Oklahoma, the Senator from Mississippi, and myself, and the text of a statement prepared by me in support of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. ERVIN. I thank the distinguished Senator from Illinois.

Mr. DIRKSEN. Mr. President, when the Senate was considering the Civil Rights Act of 1964, there was considerable discussion on enlarging and amplifying the powers of the Civil Rights Commission, over the matter of certain exclusions and exemptions of private clubs, fraternities, sororities, and religious groups. The exclusion was finally included in title VI of the Civil Rights Act; and when the instant bill was under consideration in the House of Representatives, language identical with that in the Civil Rights Act was incorporated in the higher education bill.

It had general support. Among others, the chairman of the House Committee on Education and Labor, Representative ADAM CLAYTON POWELL, as recorded on page 21130 of the RECORD, said:

We discussed that amendment and I hesitate to say something complimentary concerning the gentleman from Louisiana which may get back to his constituents but I would like to say that we accept this amendment because I was the author, as my colleagues know, of the Powell amendment in 1954,

which at that time was very unpopular, the withholding of funds from any educational institution that did not comply with the decision of the Supreme Court. As the years came and went, this became a part of the Civil Rights Act. But in my original view then, and I hold that view now, I do not believe that there should be any withholding of funds from any institution of higher education because of discriminatory practices on the campus by private clubs and, therefore, I agree with the gentleman from Louisiana.

The amendment, incidentally, was offered by the Representative from Louisiana, Mr. WAGGONER, and in the remarks by the chairman of the committee is his concurrence in the amendment.

The amendment, in my opinion, is necessary to insure the independence and freedom of our fraternal and social organizations. It is unfortunate that the Civil Rights Act of 1964 is apparently being used against the express intent of the Congress.

I ask unanimous consent, at this point, that there be printed at the end of my remarks various articles and other items that have a bearing upon this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. DIRKSEN. I have read the language of the 1964 act. The language that I now propose is identical with that act, and it is identical with the language that was adopted by the House of Representatives. There can be no doubt that the meaning behind H.R. 10486 was to clarify the congressional intent that the Civil Rights Act was not to be construed in such manner as to interfere with membership and internal practices of social and fraternal organizations.

It is my belief that the provision merely gave recognition to the announced proposition of the Supreme Court that the right of our citizens to associate privately for a lawful purpose without interference is a right protected by the Constitution under the 1st and 14th amendments.

Apparently because title VII of the Civil Rights Act fails to contain a protective provision under title V, the power and might of the Federal Government has been brought to bear against our colleges and universities by the threat of withholding from them any form of Federal assistance. This has been clearly shown through correspondence with the Commissioner of Education, Mr. Francis Keppel. I ask unanimous consent that certain correspondence bearing upon this point be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 3.)

Mr. DIRKSEN. Mr. President, it is clear that the Congress must act now to insure the continuation of our fraternity system. It is interesting to note that 69 percent of the membership of the Senate and approximately 35 percent of the membership of the House of Representatives serving in the 89th Congress are members of college social fraternities and sororities.

I ask unanimous consent that an article from the Shield & Diamond of the

Pi Kappa Alpha Fraternity entitled "Fraternity Folks in the 89th Congress," be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 4.)

Mr. DIRKSEN. I think my distinguished friend the Senator from Oregon [Mr. MORSE] is a IKA, if I remember correctly as is also the distinguished Senator from Alabama [Mr. SPARKMAN]. The minority leader, too, is a member of IKA.

Mr. JAVITS. Mr. President, will the Senator yield so that we may ask for clarification of what he is trying to accomplish?

Mr. DIRKSEN. Let me clarify the point.

Mr. President, bearing on this point, the Senator from Montana [Mr. METCALF], on the 7th of June, wrote a letter to the Commissioner of Education with respect to this matter, which is exhibit 3.

I read one paragraph of the Commissioner's letter wherein he says:

This language makes it apparent that an institution which maintains a fraternity system as a part of its activities and overall program is responsible to the Civil Rights Act requirements for assuring that discrimination is not practiced by the fraternities in the system.

Commissioner Keppel uses the word "maintains." As I understand the national constitutions and bylaws of our fraternities, the schools actually do not maintain them; the fraternities maintain themselves. They are national in scope. Some of them have chapters in virtually every leading college and university in the country.

Mr. METCALF. Mr. President, will the distinguished Senator from Illinois yield?

Mr. DIRKSEN. I yield.

Mr. METCALF. The reason why I wrote the letter, as is apparent from the letter itself, which is to be printed in the RECORD at the request of the Senator from Illinois, was that the Stanford University chapter of Sigma Chi pledged a Negro.

As a result of that action, the National Chapter of Sigma Chi expelled the local chapter. I am fortunate and proud to be a member of the Stanford Chapter of Sigma Chi.

This Negro was an outstanding individual. It is difficult to get into a Stanford University fraternity, in any event. The blackball system is in operation there. Many fraternal associations have such a rule, so that any member can blackball an individual.

On the Stanford campus, all the fraternity houses are located on university land. All the fraternity houses are owned by the university. Many other fraternity houses are a part of the dormitory system. They are financed by loans from the Federal Government.

I am sure that is what Commissioner Keppel meant when he said, "maintained as a part of the activities and the overall program." That was the specific question I asked Mr. Keppel. I said:

When you have a fraternity that is located on university land, or when you have a fra-

ternity house which is owned by a university and the fraternity house premises are maintained by the university, does the Civil Rights Act apply?

Mr. Keppel specifically and carefully answered that question and stated that it did apply.

I would assume from his answer that it would not apply to premises located off campus owned by building corporations, or by local fraternities. I wish to make that distinction crystal clear.

I hope to speak on the amendment later.

Mr. DIRKSEN. I was about to get to that point.

Mr. ERVIN. Mr. President, will the Senator from Illinois yield for an observation in response to this point?

Mr. DIRKSEN. I am glad to yield.

Mr. ERVIN. On August 17, 1965, I wrote to Mr. Keppel, Commissioner of Education, a letter in which I stated:

In your letter to Senator METCALF, you justify the action of your office by stating that fraternities are maintained by universities and institutions as a part of its activities and overall programs. If the college fraternities were financed and maintained as a part of the educational purposes of a particular institution, a case might be made for your requirement that discrimination be prohibited. However, it is my impression that college fraternities and sororities are tolerated rather than maintained at the various institutions. These private social organizations are financed by private contributions subject only to certain general college restrictions that are placed upon all students.

Thus far, I have been unable to get a reply to this letter, in which I raised the point that most college fraternities and sororities are financed privately, and, thus, are constituted as private organizations, and that they are not maintained in any respect by the university or college authority. Most fraternities in North Carolina own their own houses or property, which are not connected with the colleges or universities.

I invited the attention of the Commissioner to the case of *Gibson v. Florida*, 372 U.S. 539, 83 S. Ct. 889, March 25, 1965, in which the Supreme Court of the United States held that Government is powerless to legislate with respect to membership in a lawful organization.

I cannot get a reply from the Commissioner on the subject, but it seems to me that if the Government is powerless to legislate in respect to membership in a lawful organization, then an agency of the executive branch cannot legally go beyond the law as passed by Congress and legislate on its own behalf in respect to the membership requirements of private organizations which are perfectly lawful.

I thank the Senator from Illinois for yielding to me.

Mr. DIRKSEN. Let me say to my friend the Senator from North Carolina that we have had a long discussion on this matter, when title VI, dealing with the authority and powers of the Civil Rights Commission, came before the Senate in 1964. I have the language before me. Paragraph 6, section 104 reads as follows:

Nothing in this or any other Act shall be construed as authorizing the Commission,

its Advisory Committees, or any person under its supervision or control to inquire into or investigate any membership practices or internal operations of any fraternal organization, any college or university fraternity or sorority, any private club or any religious organization.

That was approved by the Senate and the House and that has been on the statute books for more than a year.

Mr. JAVITS. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. One more observation and then I shall be glad to yield.

With respect to the question raised by my friend the Senator from Montana [Mr. METCALF] as to the expulsion of a person from Sigma Chi, there was an answer to it, as I understand, that that was not the reason for suspending the Stanford chapter at all. They had investigated the language and the conduct of that chapter and it showed real contempt for the national organization. That was the basis for the suspension.

Mr. JAVITS. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I am glad to yield to the Senator from New York.

Mr. JAVITS. In the first place, I am sure that the Senator is aware of the fact that if the amendment is adopted, the matter will not be in conference.

Mr. DIRKSEN. The Senator is correct.

Mr. JAVITS. It will be locked into the final bill as it is now in the House bill.

However, let me ask the Senator this question: Is what the Senator is seeking to correct the fact that the Commissioner of Education has, in the Senator's judgment, not complied with title V of the Civil Rights Act? That is what the Senator has just read from and it appears to relate to the powers and duties of the Civil Rights Commission, whereas the substantive authority to deny Federal funds to a program or activity is contained in title VI. Is it the Senator's contention here that the law is inadequate, or that the administration runs counter to the law which we already have; namely, the Civil Rights Act of 1964?

Mr. DIRKSEN. The answer is simple. First, the language I recited is from title VI of the Civil Rights Act and does not involve the question of Federal assistance and what might happen thereafter.

The distinguished Senator from Texas, I am informed, was advised by telephone by the Assistant Commissioner of Education, that they intended to make that general principle apply with respect to Federal funds to an institution where there were sororities and fraternities over which, actually, they had no control; because, after all, they are national nonprofit corporations, strictly private in nature. It is only that they are identified with the schools that they would undertake to make that a basis for withholding Federal funds.

I cannot, for one moment, conceive or contemplate that that was ever in the minds of Congress at any time, in view of the interdiction that we placed upon the Civil Rights Commission.

I wish to be sure, where Federal assistance to a school is involved, that they do not come in and say, "Sorry, you can have no scholarship money. You can have no grant. You can have no loan. You can have no project. You cannot have anything, because of the internal operation and the rule under which sororities and fraternities, strictly private, may operate."

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. JAVITS. I wish to express my opposition to any sorority or fraternity which discriminates against Negroes, Jews, or anybody else. However, leaving that aside, I am a lawyer, and I realize that this is private activity, and that Congress has no power to regulate it unless it is assisted by Federal or State funds.

Does the Senator wish, by this amendment, to achieve a situation in which, if a fraternity or sorority operates dormitories or lodgings or an eating establishment which is a part of a program or activity financed by Federal funds, title VI of the Civil Rights Act of 1964 cannot reach it?

Mr. DIRKSEN. That is not what the amendment provides. And that is not what title VI of the Civil Rights Act provides. The language there is, "to inquire into or investigate any membership practices or internal operations of any fraternal organization, any college or university, fraternity, or sorority, any private club, or any religious organization."

Mr. JAVITS. Mr. President, the Senator is under a misapprehension of fact. The Senator is not reading title VI. The Senator is reading paragraph 6 of section 104 of the Civil Rights Act of 1957 as amended by the 1964 act.

Mr. DIRKSEN. Of title VI.

Mr. JAVITS. No.

Mr. DIRKSEN. Of title V.

Mr. JAVITS. That is different.

Mr. DIRKSEN. The Senator is correct.

Mr. JAVITS. Title VI provides something very different. Reading from section 602.

Each Federal department and agency which is empowered to extend Federal financial assistance to any program or activity, by way of grant, loan, or contract other than a contract of insurance or guarantee, is authorized and directed to effectuate the provisions of section 601 with respect to such program or activity.

In short, it is only when a Federal department or agency is helping a program or activity that it has any authority in this field. That is the reason why I asked the Senator what the reach of his amendment was, whether he was correcting the Commissioner because he was administering title VI of the Civil Rights Act wrongly, or whether the Senator intended to change the substantive law.

I say to the Senator that if he can demonstrate that the Commissioner is wrongly administering a section, I would want to do everything I could to see that he correctly administered it. However, I certainly will not be a party to changing title VI of the Civil Rights Act when it

comes to allowing Federal money to go to any fraternity or sorority—I do not care how private it is—which would use that Federal money to deny rights to a Negro or to somebody else that that fraternity or sorority does not like because of race, color, or national origin.

Mr. DIRKSEN. Mr. President, the money might go to a school and an alleged act of discrimination on the part of a fraternity or sorority might be discovered. Is the school to be punished? It would be punished if that were the case.

I want to be sure that we are clear on that point.

I believe that the Senator from Texas, who is on the committee, has had some conversation that will clear that matter up.

Mr. JAVITS. Mr. President, one other point, so that we do not pass each other like ships in the night. If sorority A conducts a dormitory and that dormitory is helped by Federal funds, that sorority may not, if it is going to continue to conduct that dormitory, discriminate against Negroes. It can remain as a sorority on that campus for 150 years, but it has to give up conducting its dormitory with the aid of Federal funds. That is all that I say, and nothing else.

Mr. TOWER. Mr. President, will the Senator Yield?

Mr. DIRKSEN. I yield.

Mr. TOWER. Mr. President, I believe that the thrust of the argument by the distinguished junior Senator from Illinois is that the Government agency would be prohibited from denying funds to be used by a college or university merely because, in connection with the college or university, there is a fraternity or sorority that exercises some discriminatory practices in its membership.

My observation is that this would affect very few situations in which the housing for the fraternity or sorority is provided by the college or university. In most instances, the houses are off campuses, and are operated by householding corporations. Usually the property on which the houses are located is owned by such a corporation. In some cases, it is a leasehold that the fraternity or sorority enjoys for a period of 99 years. I do not believe that this would put restrictions on such practices from that point of view merely because the university leases property to them and receives a stipend for it.

This would not be a part of the university operation. The fraternities and sororities supplement the housing that is currently provided by many colleges and universities.

The fraternities and sororities help to keep up with the housing demands on the campus. I believe that, in that sense, they make a general contribution to the field of education. I can think of many other things other than the provision read by the Senator that would refer to civil rights activities. I believe that the same opportunity would carry over into other titles of the act.

I supported title VI of the act. I opposed, I believe, every attempt to weaken title VI of the Civil Rights Act. I do not believe that Federal money should be

used to finance any college or university in which discrimination is practiced. However, I believe that we need to preserve the right of private, social, fraternal, and religious organizations to determine their own membership.

To carry this to its logical extension, this could mean that Federal funds could be denied to a college which, let us say, allowed the Westminster Club, the Norman Club, or the Baptist Student Movement, or any other club with a religious affiliation, to use the rooms and facilities of the college.

There could be complaints of violations of the Civil Rights Act. I point out that if this amendment were not agreed to, it could mean that many universities would be harmed. They want to preserve the fraternities and sororities. Money comes to fraternities and sororities from the contributions of the alumni to a college or university. It would in effect remove university supervision from fraternities and sorority housing and activities to the extent that there would be no supervision of affairs, whereas currently we do have the affairs supervised by responsible national organizations.

If we were to do away with this system, we would still have private clubs world without end. Youngsters will choose their own associates. They will have less supervision, control, and direction.

Mr. METCALF. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. METCALF. Mr. President, this amendment would apply to any fraternal organization. It would apply to a fraternal organization that has quarters and dormitories. It would apply to a fraternal organization such as that which I suggested at Stanford University where they borrow money from the Federal Government and build a fraternity house and lease it to the fraternity. It would apply to a fraternity whether they are living in dormitories off campus, or wherever it is.

It is my interpretation of Mr. Keppel's letter, and I am sure that the Senator from Illinois can read the pertinent part of the letter and interpret it in the same way, that it refers only to those fraternities in which the university maintains the facilities that are covered by title VI, and only such a situation.

My letter specifically said that what I spoke of was a situation such as exists at Stanford University, where the university maintains a fraternity system. It owns the land. It owns the houses. It borrows money from the Federal Government to build the houses under the Dormitory Act.

What happens then, when there is discrimination? Mr. Keppel answered that question on the narrow issue. He said that when there is discrimination in that situation, in which there is the maintenance of the fraternity, title VI of the Civil Rights Act would apply.

I agree with the Senator from Texas that the fraternities and sororities located off campus, owned by a building corporation, by the fraternity house, or privately owned, are not under title VI.

However, as I understand the amendment offered by the Senator from Illinois, he covers the whole waterfront, all fraternities, sororities, and fraternal organizations.

Mr. DIRKSEN. Mr. President, I just read the language of the amendment. It is as clear as crystal. It is identical with what was in the House bill. It reads:

Any membership practices or internal operations of any fraternal organization, any college or university fraternity or sorority, any private club or any religious organization of any institution of higher learning—

Mr. METCALF. There is no equivocation. It covers the whole waterfront.

Mr. DIRKSEN. Yes; it covers everything which concerns internal operations and practices. It is wholly that and nothing more. As the Senator from North Carolina [Mr. ERVIN] pointed out, all that is involved is the right of freedom of association, as passed upon by the Supreme Court on many occasions.

Mr. JAVITS. Mr. President, I may suggest a way out of this problem. I urge the Senator from Texas to think about this during a short quorum call to see if we cannot add to the amendment which the Senator has submitted the following language: "Except in the conduct of any program of activity receiving Federal assistance referred to in section 602 of Public Law 88-352."

I am making an effort to separate what is valid from what is not. I do not like discrimination in any form, but that is another matter. At least let us reach any practice which comes within the flow of Federal funds assisting activities of higher education. I believe this suggestion will do it. I submit it to the mover of the amendment only as a suggestion, and as a way of expressing in law what we are trying to express in discussion and in an area in which there is no material disagreement.

Mr. DIRKSEN. The distinguished Senator from North Carolina had some language he wished to submit. Perhaps he would be interested in doing it at the present time.

Mr. ERVIN. I did not intend to submit this—

Mr. DIRKSEN. I have not seen the actual language he has in mind.

Mr. ERVIN. I believe the amendment would meet the objection raised by the Senator from Montana [Mr. METCALF] and the Senator from New York [Mr. JAVITS], if it were agreed to add this language at the end of the amendment: "whose facilities are not owned by the institution of higher education and whose activities are financed by funds derived from private sources."

Mr. DIRKSEN. In other words, no private money would be involved.

Mr. ERVIN. There would be no Government property used and no Government money involved. I believe in the greatest amount of liberty for people. I would accord the Senator the right to form an organization discriminating against me—

Mr. JAVITS. I would not do it.

Mr. ERVIN. People should have the right to do it if it is a private organiza-

tion. One of the greatest rights of the people is the right to select their own associates.

For that reason, if the Senator from Illinois will modify his amendment by adding those words, it would meet the objection raised.

Mr. DIRKSEN. Mr. President, without losing my right to the floor, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Illinois, by unanimous consent, has the floor.

EXHIBIT 1

On page 212, line 15, after the word "Act" insert the words "or any other Act", and on page 212, line 21, strike out the period, insert a semicolon, and add the following language: "or the membership practices or internal operations of any fraternal organization, any college or university fraternity or sorority, any private club or any religious organization at any institution of higher education."

STATEMENT OF SENATOR ERVIN

As Senators may know, Commissioner of Education Keppel recently decided that educational institutions which have fraternities or sororities are not eligible for Federal funds if those fraternities and sororities practice what is in the Commissioner's opinion discrimination, even if the constitution and bylaws of these organizations do not contain a clause which excludes members on the grounds of race or color. In other words, if it is found that one of the small private fraternal organizations which is located on the campus of one of our great universities has excluded an individual, allegedly because of his race, then Federal funds are cut off from the entire university.

However, the action of the Office of Education not only exceeds the authority granted to it under section 601 of the Civil Rights Act of 1964, but also violates the very spirit of that act as embodied in section 504(a) (6) which states:

"(6) Nothing in this or any other act shall be construed as authorizing the Commission, its advisory committee, or any person under its supervision or control to inquire into or investigate any membership practices or internal operations of any fraternal organization, any college or university fraternity or sorority, any private club, or any religious organization."

Commissioner Keppel justifies the action of his Office by stating that fraternities are maintained by universities and institutions as a part of their "activities and overall program." If the college fraternities were financed and maintained as a part of the educational purposes of a particular institution, a case might be made for the requirement that discrimination be prohibited. However, it is my impression that college fraternities and sororities are tolerated rather than maintained at the various institutions. These private social organizations are financed by private contributions subject only to certain general college restrictions that are placed upon all students.

The action of the Office of Education is also in direct violation of the decision in *Gibson v. Florida*, 372 U.S. 539 (1965), holding that government is "powerless to * * * legislate with respect to membership in a

lawful organization." I know of no decision that has come down in the 6 months since this opinion was announced that overrules the case.

This amendment only restates the traditional American principle of freedom of association that has time and again been sustained by the Supreme Court and has never, as far as I know, until now, been challenged by the Federal Government.

Mr. President, when the day comes when we no longer have the freedom to choose our associates in purely private social organizations, we have reached the day when we have no freedom at all.

EXHIBIT 2

[From the New York Times, June 18, 1965]

COLLEGES FACE U.S. AID CUTOFF IF THEY PERMIT FRATERNITY BIAS

(By Wallace Turner)

DENVER, June 17.—The terms of the Civil Rights Act of 1964 require individual colleges to make certain that fraternities do not discriminate on racial grounds, Francis Keppel, Commissioner of Education, declared today.

His statement was in a letter to Senator LEE METCALF, Democrat, of Montana, who had asked about the situation involved in the suspension last April of the Sigma Chi Chapter at Stanford University.

The suspension came in a letter from the national fraternity dated 4 days after a Negro student had accepted a bid to pledge the Stanford chapter.

The issue touches on the entire system of Federal grants to colleges and universities.

If Mr. Keppel found that a fraternity was practicing racial discrimination, he would then question the "assurances of compliance" filed by the schools under title VI of the Civil Rights Act.

The schools would be required to end the discrimination, either by changing the practices of the fraternity or by removing the offending chapter from the campus.

The alternative would be a procedure initiated by Mr. Keppel under which all Federal grants could be shut off to the colleges where the fraternity operated chapters.

Harry V. Wade, national president of Sigma Chi, has denied that the pledging of Kenneth M. Washington, a Negro freshman who is the son of a Denver physician, was the reason for the suspension of the Stanford chapter.

He said recently that "the reason we suspended the chapter was because of its contemptuous attitude toward the fraternity and the other Sigma Chi chapters in its area."

Mr. Wade is an executive of the Shandard Life Insurance Co. of Indiana.

After the national Sigma Chi fraternity acted against the Stanford chapter, the Board of Regents at the University of Colorado voted to place the Sigma Chi chapter at Boulder on probation.

Sigma Chi's national convention opened here last night. A delegation from the Stanford chapter is in attendance, accompanied by legal advisers.

The Stanford students refused today to discuss their situation. They have made it clear, however, that they believe the chapter was suspended because it pledged Mr. Washington.

Senator METCALF recently called Mr. Keppel's attention to the dispute between the national fraternity and its Stanford chapter of which the Senator is an alumnus.

It was pointed out that while the fraternity has no discriminatory clause in its constitution, it does have a clause that forbids a chapter to propose for membership anyone "who for any reason is likely to be con-

sidered personally unacceptable as a brother by any chapter or any member anywhere."

Senator METCALF said the national fraternity's action "may endanger Sigma Chi on every campus in America."

Mr. Keppel's letter appeared to bear this out. He pointed out that regulations issued under the Civil Rights Act of 1964 require schools to give assurances that there is no racial discrimination "in admission practices or any other practices of the institution relating to the treatment of students."

[From the Washington (D.C.) Star, June 20, 1965]

COLLEGES GET U.S. WARNING ABOUT BIAS IN FRATERNITIES

The Nation's colleges must make certain that fraternities on their campuses do not practice racial discrimination if they want to continue receiving Federal grants, according to the Office of Education.

This interpretation of Civil Rights Act requirements was made by Commissioner of Education Francis Keppel in connection with a report that Sigma Chi national fraternity had suspended its Stanford University chapter shortly after the group pledged a Negro member.

Keppel said: "An institution which maintains a fraternity system as part of its activities and overall program is responsible under the Civil Rights Act requirements for assuring that discrimination is not practiced by fraternities in the system."

An HEW spokesman added that regardless of the formalities between a local chapter and its parent organization, the terms of the act make it necessary for individual colleges to be sure that racial discrimination is not practiced.

He said a finding that a fraternity practices racial discrimination could result in requirements that most colleges end the discrimination either by changing the practices of the fraternity or ousting the chapters. Or Keppel could start action to shut off all Federal grants to colleges where the fraternity operated chapters.

The Stanford chapter, the Associated Press reported, is fighting its suspension at the fraternity's national convention closing today in Denver. Sigma Chi has no racially discriminatory clause in its constitution but does have a so-called social acceptability clause requiring that no chapter propose for membership anyone "who for any reason is likely to be considered personally unacceptable as a brother by any chapter anywhere."

George Washington University and the University of Maryland both have Sigma Chi chapters, but both campuses also have antidiscriminatory regulations for recognized student organizations.

George Washington's Inter-Fraternity Council has a bylaw saying it will not recognize any local fraternity which in its own bylaws or through affiliation with a national fraternity in a national constitution discriminates on the basis of race, color, creed or national origin, whether in a written manner or by agreement.

Maryland has a regulation that no recognized student organization may in its bylaws automatically exclude members for any reason. The university has checked all charters to make sure no such exclusions exist, a spokesman said.

American and Howard Universities have regulations prohibiting discrimination by fraternities or sororities. Catholic University said all of its fraternities and sororities have or have had Negro members, and Georgetown has no social college fraternities, just some professional fraternities which a campus spokesman said he believed to be integrated.

FRATERNITIES, DISCRIMINATION, AND THE CIVIL RIGHTS LAW

(By Paul Cole Beach, Jr.)

"The choosing of one's own friends and associates cannot be confused with civil rights and, therefore, is not subject or amenable to edicts, regulations, laws, and legislative fiat abridging that social right." So declared a 1957 resolution of the National Interfraternity Conference, responding to a rising chorus of protest against the discriminatory membership practices of several fraternities.

Freedom of association is crucial to a free and individualistic society. But the National Interfraternity Conference's position seems unduly optimistic in that a fraternity's right of selectivity is at present, and will be increasingly, subject to external regulations—not the least of which may be Public Law 88-352, the Civil Rights Act of 1964.

"The new Civil Rights Act of 1964," states U.S. Assistant Civil Rights Division Attorney Arthur Caldwell, "is unusually broad in scope and complex in its provisions. It will take time and perhaps many court tests to determine its exact scope and limitations."¹ "Few persons," elaborates the Virginia Commission on Constitutional Government, "fully understand the bill's thrust into the private lives of Americans everywhere."²

The Civil Rights Act creates new rights, and makes others meaningful, say its proponents.³ Yet it can only restrict those possessed by fraternities. Of concern to fraternities are those provisions of the act conferring jurisdiction upon U.S. district courts to enjoin discrimination in public accommodations, authorizing the Attorney General to institute suits to end ethnic problems in public education, enabling Federal departments to prevent discrimination in federally assisted programs, and empowering various U.S. agencies to investigate complaints of discrimination. Thus, fraternities which select members on bases other than personal merit may well feel the act's thrust in due course.

I—FEDERAL INVESTIGATIONS

There has been a plethora of investigations of fraternities by private antidiscrimination groups. Recently, Ohio Congressman JOHN ASHBROOK received word of investigations by governmental agencies. He found that the Utah Advisory Committee of the U.S. Civil Rights Commission had begun "questioning policies of fraternities and sororities."⁴ The Commission, which is directed to study and collect "information concerning legal developments which constitute a denial of equal protection of the laws,"⁵ had begun a preliminary survey "to ascertain," according to Civil Rights Commission Chairman John Hannah, "whether fraternities and sororities located at the State university engaged in practices of racial discrimination, and, of so, whether the university is so involved in the conduct of these societies as to bring them within the purview of the equal protection clause of the 14th amendment."⁶

The resulting furor led directly to a section being written into the Civil Rights Act prohibiting "the Commission, its Advisory

Committees, or any person under its supervision or control to inquire into or investigate any membership practices or internal operations of any fraternal organization, any college or university fraternity or sorority."

This limitation does not extend, however, to the Community Relations Service, the Commissioner of Education, or the FBI. The Community Relations Service is empowered to investigate and hold hearings on public accommodations complaints.⁷ The Commissioner of Education is instructed by the Act to survey the "lack of availability of equal educational opportunities" in "public educational institutions at all levels" by 1966.⁸ And, complaints of act violations will be routed through the FBI to the Department of Justice.⁹ Investigation to determine jurisdiction can also be made, and it is certain that, if a protest is filed against a fraternity, investigations will be made.

Public accommodations and Federal assistance

In the public accommodations title, the Congress has created a new right. "It is," comments Arthur Caldwell, "the right of all persons to be free from discrimination or segregation on the ground of race, color, religion or national origin, in the operation of certain listed places of public accommodation which operate in or affect interstate commerce"¹¹—that is, rooming houses renting more than five rooms and all place principally engaged in selling food.¹² The Congress has also limited a previously held right by establishing for entrepreneurs a requirement to serve, a radical departure from the existing meaning of the interstate commerce clause.

Unless a fraternity makes its room and board services open to nonmembers, the public accommodations section has little relevance. But those fraternities which do serve nonmembers fall within the public accommodations class, and must make the "full and equal enjoyment of the goods, services, facilities, privileges, advantages" of their room and board activities available "without discrimination or segregation."¹³ Creating a private club solely designed to serve non-fraternity members would exempt the fraternity's room and board facilities, however.¹⁴

Title IV of the Act, on the other hand, has greater relevance. It requires that no person shall "be excluded from participation, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance."¹⁵ Fraternities receiving support from FHA home loans or occupying college lands or buildings being financed through Federal funds may find their assistance or occupancy terminated.

All that would be required for such termination would be "an express finding" of failure to comply with the appropriate agency's antidiscrimination rule, regulation, or order of general applicability.¹⁶ That suffices. No rules are laid down for due process of law, for the presentation of evidence, for hearings before impartial examiners, for any of the protections normally provided in matters of far less importance. And under the feeble provisions for judicial review, such

¹ Arthur B. Caldwell, "The Civil Rights Act of 1964—Its Implications for Law Enforcement," Department of Justice News Release, Aug. 7, 1964, p. 1.

² Virginia Commission on Constitutional Government, Civil Rights and Federal Powers, (Richmond: 1964), p. 4. Official agency of State of Virginia.

³ Caldwell, op. cit., pp. 1, 3.

⁴ U.S. Congress, CONGRESSIONAL RECORD, vol. 110, No. 122. June 17, 1964, 88th Cong., 2d sess., p. A3318.

⁵ Ibid., p. A3317.

⁶ Ibid., p. A3318.

⁷ Public Law 88-352, title V, sec. 104(a) (6), 78 Stat. 251.

⁸ Ibid., title II, sec. 205, 78 Stat. 244.

⁹ Ibid., title IV, sec. 402, 78 Stat. 247.

¹⁰ Caldwell, op. cit., p. 8.

¹¹ Ibid., p. 3.

¹² Public Law 88-352, title II, sec. 201(b) (1) (2), 78 Stat. 243.

¹³ Ibid., title II, sec. 201 (a).

¹⁴ Ibid., title II, sec. 201 (c).

¹⁵ Ibid., title VI, sec. 601, 78 Stat. 252.

¹⁶ Ibid., title VI, sec. 602.

"express findings" would be entitled to great weight in appellate Federal courts.

The public education title of the act, finally, augurs the most problems. As one fraternity critic proclaimed: "The unconstitutionality of the recognition by State universities of fraternities which discriminate" seems clear. "Recognition of this conclusion will be a further step toward achieving truly democratic education in State educational institutions."¹⁷

II. FRATERNITIES, DISCRIMINATION, AND PUBLIC EDUCATION

There are less than 10 national fraternities that today have written, blanket interdictions against particular ethnologic groups. There may be more, on the other hand, which maintain a pattern of discrimination through "gentlemen's agreements" or similar devices reflecting regional or cultural biases. Whatever their wisdom, both types of selection are constitutional within the current interpretation of the 14th amendment.

The Civil Rights cases, decided by the Supreme Court in 1883, made it abundantly clear that: "It is State action of a particular character that is prohibited. Individual invasion of individual rights is not the subject matter of the amendment."¹⁸ Even *Shelley v. Kraemer*, decided in 1948, and one of the most extreme cases in advancing the State action principle, reiterated this view: "the principle has become firmly embedded in our constitutional law that the action inhibited by the 1st section of the 14th amendment is only such action as may fairly be said to be that of the States. That amendment erects no shield against merely private conduct, however discriminatory or wrongful."¹⁹

State action and private groups

Discriminatory State action, then, is the target of the "equal protection" clause. But the State is so closely allied in all acts of private discrimination—enforcing trespass laws on strictly private property for example—that the pertinent questions have become, not whether State action is involved, but how much State involvement exists, whether its action simply maintains an important personal freedom outweighing the public interest, and whether a constitutional right is violated. No precise formula for the recognition of State responsibility has been established, however. In fact, the Supreme Court has declared this "an impossible task" which the "Court has never attempted."²⁰

Yet, State action concepts in two areas are of significance to fraternities. These are where individuals or groups are so regulated, enfranchised, or sanctioned by the State, that they assume a public character. They become State instrumentalities by fulfilling a function to some extent governmental, or by being controlled—the more control, the greater public nature—by the State, or by receiving benefits from it. And, if the State or its instrumentality refuses or fails to meet an obligation, this may also qualify negatively as State action.²¹

Fraternities as State instrumentalities

These State action precepts have become flexible enough so that there is speculation fraternities can be included in the discriminatory prohibition. An attempt may be made, for instance, to declare fraternities at State universities instrumentalities of the State, because of their close involvement in

the State's educational process. It would then be incumbent upon university officials, say antifraternity pundits, to enjoin or eliminate an discriminatory activity.

It has been suggested that private colleges are not entirely immune from this approach; but, according to one Government attorney, State colleges or institutions deriving a major part of their funds or property from a governmental source are where "it is most likely that a determination of State action could be made."

The attorney general of California, as an example, said in 1959 that, while the constitutionality of discriminatory membership practices depended on the specific relation of fraternities to a State university, in certain cases fraternities could be termed State instrumentalities.²² He failed to elaborate and, as yet, the Federal courts have not substantiated any such position.

Argument for 14th amendment violation

Federal court inaction, though, is hardly a guarantee that there will not be a future change in policy—particularly considering the ease with which Federal suits may be brought under the new act. It is necessary, consequently, to explore the antifraternity argument fully.

A "public college" is defined by the 1964 Civil Rights Act as a college "operated by a State, subdivision of a State, or governmental agency within a State, or operated wholly or predominantly from or through the use of governmental funds or property, or funds or property derived from a governmental source."²³ These schools are charged with desegregation of their facilities—which means "the assignment of students to public schools and within such schools without regard to their race, color, religion, or national origin."²⁴ The public education sphere, then, is where the most anti-fraternity action will be taken.

Since fraternities are recognized and allowed to operate on State campuses, the first relationship alleged as evidence of State action will be governmental sanction. Fraternities are also under State control, in that university officials set various requirements for membership affiliation and social activities; they supervise housing programs and make house rules, provide faculty advisors, set scholastic standards, and administer discipline. It will be argued, additionally, that there are large mutual benefits in the fraternity-college relationship. The college provides funds for Interfraternity Council activities, provides free office space, secretaries, and budget services, and administrative advisors; and, in turn, the fraternities make available room and board services and a social and educational outlet for a large portion of the student body.

Moreover, the State college often rents land and buildings to discriminatory fraternities, and it is well recognized that the "leasing arrangement is one of the most tangible and publicly conspicuous relationships existing between the State and private parties. Consequently it has frequently been the basis upon which the court have constructed an agency relationship between the State and the lessee, with the finding that the acts of the lessee are State action."²⁵ The 1961 case of *Burton v. Wilmington Parking Authority* is cited as the best indication that a leasing arrangement between a State college and a discriminatory fraternity is unconstitutional.²⁶ For the Court determined that a number of indirect benefits and involvements,

including leasing, between the State and a discriminatory private party had "so far insinuated (the State) into a position of interdependence" that "it must be recognized as a joint participant in the challenged activity, which, on that account, can not be considered to have been so 'purely private' as to fall without the scope of the 14th amendment."²⁷

Other cases would be offered to show that State universities can prohibit the operation of any fraternity, as well as prevent fraternity members from graduating or receiving class honors; indeed, can go so far as requiring transfer students to disavow previous fraternity membership at another college before admitting them.²⁸ Not only does this demonstrate an extremely close control over fraternities, but, the argument runs, it signifies that a State university, by its failure to penalize the discriminatory fraternity, has elected to put its power, property, and prestige behind the admitted discrimination, thus violating the 14th amendment.

One commentator adds that the affirmative act of a university official in segregating a student within a school so as to prevent intellectual commingling and equal educational opportunities—action invalidated by the Supreme Court in 1950—is analogous to the positive stand taken by university officials in recognizing discriminatory fraternities and permitting their continued existence.²⁹

Assuming that ethnic discrimination by fraternities at public colleges does violate constitutional standards, the fraternity antagonists suggest that a complaint be filed. The 1964 Civil Rights Act authorizes the Attorney General, "after giving notice of such complaint to the appropriate college authority and after certifying that he is satisfied that" such "authority has had a reasonable time to adjust the conditions alleged," to "institute a civil action in any appropriate district court" against "such parties and for such relief as may be appropriate."³⁰ Or, under the act, a private person may sue, as well.³¹

An opposing view

A State university undoubtedly sanctions—at least tacitly—a fraternity when it recognizes it, permits it to operate on campus, and allows it to use the university name. Nor can there be any question that a State university exercises great control over the fraternity system. And there is obviously enough mutual benefit involved to suggest that fraternities are an important—though not necessarily integral—part of the educational process. While admitting the manifest, does it necessarily follow that fraternities are State instrumentalities? No.

As to the argument advanced from the 1950 intraschool segregation case, it is absurd to maintain that the existence of one or several discriminatory fraternities on a campus prevents "intellectual commingling" among the majority of students, who are non-Greek. It is equally obscure how a minority—whose essential purpose is social—can deny "equal educational opportunities" to a larger body of students in their academic pursuits. No less faulty is the analogy between positive discrimination originating on the part of a State official, and the standards of selectivity, however, wrongheaded, made by private persons in national confer-

¹⁷ Ibid.

²⁸ *Waugh v. Board of Trustees of the University of Mississippi*, 237 U.S. 589, 1915; *Webb v. State of New York*, 125 Federal Supplement 910, 1954; *Hughes v. Caddo Parish School Board*, 57 Federal Supplement 508, affirmed 65 Supreme Court 562.

²⁹ Horowitz, op. cit., p. 290; *McLaurin v. Oklahoma State Board of Regents*, 339 U.S. 629, 1950.

³⁰ Public Law 88-352, title IV, sec. 407 (a) (2), 78 Stat. 248.

³¹ Ibid., title IV, sec. 410, 78 Stat. 249.

¹⁷ Harold W. Horowitz, "Discriminatory Fraternities at State Universities—A Violation of the 14th Amendment?" 25 Southern California Law Review, 289, 296, 1952.

¹⁸ 109 U.S. 3.

¹⁹ 334 U.S. 1.

²⁰ *Kotch v. Board of River Port Pilots Com'rs*, 330 U.S. 552, 556.

²¹ Jerre S. Williams, "The Twilight of State Action," 41 Texas Law Review 350, 351, 352, 355. February 1963.

²² 32 Opinions Attorney General California 264, 1959.

²³ Public Law 88-352, title IV, sec. 401(c), 78 Stat. 247.

²⁴ Ibid., title IV, sec. 401(b).

²⁵ George P. Shenias, "Comment," 8 UCLA Law Review, 172, 173, 1961.

²⁶ 365 U.S. 715, 1961.

ence. The facts of the case, in addition, are not sufficiently similar to sustain the same general rule.

Yet, "constitutional restraints explicitly applicable only to State action might be reasonably applied to activities ostensibly private," notes GWU Law Professor Henry Manne, "if the State for some reason has a constitutional duty affirmatively to perform the function in question. If such a positive duty exists for the State, then its nonaction or failure to remove a private interference is the logical equivalent of State action."

The benefits derived from the fraternity system may make it an important part of university life. Even this is challenged by some. But the social experiences a fraternity provides are hardly vital to the fundamental government activity carried on by a State university: that is, providing a classical or technical education. Certainly, a State university has no constitutional duty to operate a fraternity system. It would seem, therefore, that because a State university has the power to prohibit fraternities does not, at the same time, force it to do so, nor imply that it is defaulting in its responsibility or failing to meet an obligation. Neither does its inaction necessarily commit its power and prestige to a policy of discrimination. In any case, a State cannot yet be compelled to deny a license or incorporation to a private organization which does discriminate.³²

A mere lessor-lessee agreement, moreover, does not guarantee a State action finding. The lessor-lessee arrangement must be accompanied by some typical government activity—some public function must be performed by the lessee, in other words.³³ And a fraternity, even one which rents from a State college, disposes of the rented property in a clearly private fashion. The Burton case mentioned previously is too restricted and vague to be applied in a fraternity-college situation. Burton is a public accommodations case, and, as Mr. Justice Clark stated in the majority opinion, "the conclusions drawn from the facts and circumstances of this record are by no means declared as universal truths on the basis of which every State leasing agreement is to be tested." He continued, "Specifically defining the limits of our inquiry, what we hold today is that when a State leases public property in the manner and for the purpose shown to be the case here, the proscriptions of the 14th amendment must be complied with by the lessee."³⁴ Mr. Justice Harlan whom Justices Whittaker and Frankfurter joined in dissent, noted trenchantly: "The Court's opinion, by a process of first indiscriminately throwing together various factual bits and pieces and then undermining the resulting structure by an equally vague disclaimer, seems to me to leave completely at sea just what is in this record that satisfies the requirement of 'State action.'"³⁵

Nor does State control over fraternities seem sufficient grounds for a State action finding, since the group's ends are private, social, and nongovernmental. More, State action concepts have been largely confined in their application to groups of the highest societal importance and public purpose: labor unions, political parties, public utilities, and businesses which affect interstate commerce.³⁶ A fraternity, in sum, is not open to the public. It is not a government creation, and it performs no essential government function. On the contrary, its purposes are private and social. And, most important, there is no constitutional right to membership in a strictly private organization.

While suits may be filed, then, it should be understood that those fraternities which select their members on bases other than personal merit do so constitutionally; and there is at least a presumption that they may continue to do so within the Civil Rights Act of 1964.

The fraternity which has blanket interdictions defeats its own ends. For it restricts the rich interpenetration of personal relationships that form a fraternity's basic goal. However, "The issue of social discrimination is one which goes directly to the inner beliefs of each person," said Thomas Carroll, the late president of the George Washington University. "It cannot be dealt with once and for all by an official broadside, by a rule, by threats to ban fraternities and sororities which have constitutionally restrictive clauses. It is changed attitudes which accomplish the end of removing old prejudices. We must not lift the principal burden of this problem from the shoulders of the sororities and fraternities themselves where I believe it belongs."³⁷

EXHIBIT 3

JUNE 7, 1965.

HON. FRANCIS KEPPEL,
Commissioner, Office of Education, Department of Health, Education, and Welfare,
Washington, D.C.

DEAR COMMISSIONER KEPPEL: Recent events involving my college chapter of Sigma Chi prompt me to ask what position your office would take on the continued distribution of Federal funds to educational institutions recognizing any national fraternity shown to practice de facto racial or religious discrimination.

This question arises from title VI of the Civil Rights Act of 1964 and the administrative regulations pursuant to it, issued by the Department of Health, Education, and Welfare with the approval of the White House. In particular, it relates to questions eight and nine, as stated in the explanation of HEW form 441, which reads in part as follows:

"Question. What effect will the regulation have on a college or university's admission practices or other practices related to the treatment of students?

Answer. An institution of higher education which applies for any Federal financial assistance of any kind must agree that it will make no distinction on the ground of race, color, or national origin in the admission practices or any other practices of the institution relating to the treatment of students.

"(c) 'Other practices relating to the treatment of students' include the affording to students of opportunities to participate in any educational, research, cultural, athletic, recreational, social, or other program or activity; * * * making available to students any housing, eating, health, or recreational service; * * * and making available for the use of students any building, room, space, materials, equipment, or other facility or property.

"Question. Does the assurance of nondiscrimination apply to the entire operation of any institution?

"Answer. Insofar as the assurance given by the applicant relates to the admission or other treatment of individuals as students, patients * * * or to the opportunity to participate in the provision of services, financial aid, or other benefits to such individuals, the assurance applies to the entire institution."

As you no doubt are aware, several national fraternities have removed racial and religious clauses from their constitution, ritual and other published materials. Some, however, have substituted so-called social acceptability clauses which may be used to

continue de facto discrimination in the selection of their members.

Recognizing the difficulty of establishing the fact that any fraternity does, in effect, practice racial or religious discrimination, and understanding that the precise relationship of national fraternities to educational institutions may vary from one campus to another, I would appreciate your comments on whether your office would recommend the continued allocation of funds to institutions receiving aid under the National Defense Education Act, for example, where these institutions officially recognized or in any way supported fraternities or other organizations shown to practice de facto racial or religious discrimination.

Very truly yours,

LEE METCALF.

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE,
OFFICE OF EDUCATION,
Washington, D.C., June 17, 1965.

HON. LEE METCALF,
U.S. Senate,
Washington, D.C.

DEAR SENATOR METCALF: Thank you for your letter inquiring about the impact of title VI of the Civil Rights Act of 1964 on educational institutions recognizing any national organization practicing racial or religious discrimination.

As you know, title VI, section 601, reads very clearly:

"No person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance."

As you note in your letter, the explanation of the assurance of compliance issued pursuant to title VI by the Department of Health, Education, and Welfare is quite explicit, reading in part as follows:

"An institution of higher education which applies for any Federal financial assistance of any kind must agree that it will make no distinction on the ground of race, color, or national origin in the admission practices or any other practices of the institution relating to the treatment of students. * * *

"Other practices * * * include the affording to students of opportunities to participate in any educational, research, cultural, athletic, recreational, social, or other program or activity * * * making available to students any housing, eating, health, or recreational service * * * and making available for the use of students any building, room, space, materials, equipment, or other facility or property."

This language makes it apparent that an institution which maintains a fraternity system as a part of its activities and overall program is responsible under the Civil Rights Act requirements for assuring that discrimination is not practiced by the fraternities in the system.

To my knowledge, the suspension of Sigma Chi at Stanford by the fraternity's national executive committee is the first major test involving de facto discrimination within a national fraternity to develop since passage of the Civil Rights Act of 1964. As such, it seems certain to attract wide public interest.

Of prime importance to me, however, is the fact that the chapter, the university, and prominent fraternity alumni like yourself have united in an effort to eliminate any discriminatory practices from within the national organization on a wholly voluntary basis.

This kind of enlightened leadership not only hastens the day when all Americans will enjoy equality of opportunity, it also enhances the best long-term interests of all our voluntary organizations.

Sincerely yours,

FRANCIS KEPPEL,
U.S. Commissioner of Education.

³² *Williams v. Howard Johnson's Restaurant*, 268 F. 2d 845 (4th Circuit 1959).

³³ Shenas, op cit., p. 174.

³⁴ Burton case, op. cit., p. 717.

³⁵ Ibid., p. 719.

³⁶ Williams, op. cit., p. 355.

³⁷ Thomas H. Carroll, "Remarks to GWU Faculty Assembly Meeting," 19 February 1964, p. 3.

EXHIBIT 4

(By Carroll L. Lurding, Delta Upsilon,
Stewart Howe Services, Inc.)

FRATERNITY FOLK IN 89TH CONGRESS: PI KAPPA ALPHA HAS THE LARGEST NUMBER OF SENATORS, PHI DELTA THETA THE MOST REPRESENTATIVES

Sixty-nine percent of the Senators and approximately 35 percent of the Representatives in the 89th Congress are members of college social fraternities and sororities.

The Democratic landslide in last fall's elections, resulting in a large number of new faces in Congress, had little effect on the number of fraternity members in that body. This year's figures compare with 70 percent in the Senate and 40 percent in the House in the 88th Congress.

Twenty-four of the 32 Republicans in the Senate, and 69 of the 140 Representatives are members of fraternities. On the Democratic side, 45 of the 68 Senators and 84 of the 295 Representatives have fraternity affiliations.

Among the fraternities represented, Pi Kappa Alpha still has the largest delegation in the Senate with 8, and Phi Delta Theta leads in the House with 14. The only other fraternities with three or more Senators are Alpha Tau Omega with six, Delta Kappa Epsilon with four, and Delta Upsilon and Sigma Phi Epsilon with four. In addition to Phi Delta, a dozen other fraternities also have five or more members in the House.

In total representation in both Houses, the 10 fraternities with the largest delegations are: Phi Delta Theta, 19; Pi Kappa Alpha, 18; Alpha Tau Omega, Beta Theta Pi, and Sigma Chi, 11; Kappa Alpha Order, Sigma Alpha Epsilon, 11; Delta Kappa Epsilon and Sigma Phi Epsilon, 9; and Alpha Chi Alpha, 8. Sigma Chi took the heaviest toll in last fall's elections, losing two Representatives and two Senators, including Goldwater.

Acacia (two Senators, three Representatives)—Senate: FRANK CARLSON, Republican, of Kansas; RALPH YARBOROUGH, Democrat, of Texas; House: WILLIAM BRAY, Republican, of Indiana; EDWARD HUTCHINSON, Republican, of Michigan; O. C. FISHER, Democrat, of Texas.

Alpha Chi Omega (one Representative)—House: CATHERINE MAY, Republican, of Washington.

Alpha Chi Rho (two Senators, one Representative)—Senate: JOHN C. STENNIS, Democrat, of Virginia; HUGH SCOTT, Republican, of Pennsylvania; House: DAVID MARTIN, Republican, of Nebraska.

Alpha Delta Gamma (one Representative)—House: EDWARD DERWINSKI, Republican, of Illinois.

Alpha Delta Phi (one Senator, one Representative)—Senate: THURSTON B. MORTON, Republican, of Kentucky; House: DONALD M. FRASER, Democrat, of Minnesota.

Alpha Epsilon Pi (two Representatives)—House: HERMAN TOLL, Democrat, of Pennsylvania; LEONARD FARBSSTEIN, Democrat, of New York.

Alpha Gamma Rho (two Representatives)—House: ROBERT SIKES, Democrat, of Florida; RALPH HARVEY, Republican, of Indiana.

Alpha Phi Alpha (one Representative)—House: ADAM CLAYTON POWELL, Democrat, of New York.

Alpha Sigma Phi (one Representative)—House: HORACE KORNEGAY, Democrat, of North Carolina.

Alpha Tau Omega (six Senators, five Representatives)—Senate: SPESSARD HOLLAND, Democrat, of Florida; LEN JORDAN, Republican, of Idaho; BIRCH BAYH, Democrat, of Indiana; JAMES EASTLAND, Democrat, of Mississippi; MIKE MANSFIELD, Democrat, of Montana; MILWARD SIMPSON, Republican, of Wyoming; House: H. ALLEN SMITH, Republican, of California; SAM GIBBONS, Democrat, of Florida; EDWARD GURNEY, Republican, of Florida; FRANK STUBBLEFIELD, Democrat, of

Kentucky; CLARENCE D. LONG, Democrat, of Maryland.

Beta Sigma Rho (one Representative)—CHARLES JOELSON, Democrat, of New Jersey.

Beta Theta Pi (two Senators, nine Representatives)—Senate: JOHN SHERMAN COOPER, Republican, of Kentucky; NORRIS COTTON, Republican, of New Hampshire; House: JOHN J. RHODES, Republican, of Arizona; CHARLES M. TEAGUE, Republican, of California; WAYNE ASPINALL, Democrat, of Colorado; CHARLES HALLECK, Republican, of Indiana; ROBERT ELLSWORTH, Republican, of Kansas; HALE BOGGS, Democrat, of Louisiana; JAMIE L. WHITTEN, Democrat, of Mississippi; AL ULLMAN, Democrat, of Oregon; ARCH A. MOORE, Republican, of West Virginia.

Chi Phi (four Representatives)—House: CHARLES JONES, Republican, of North Carolina; WILLIAM MARSHALL, Republican, of Ohio; JOHN SAYLOR, Republican, of Pennsylvania; VERNON W. THOMSON, Republican, of Wisconsin.

Chi Psi (one Senator, one Representative)—Senate: WILLIAM PROXMIER, Democrat, of Wisconsin; House: HENRY S. REUSS, Democrat, of Wisconsin.

Delta Chi (one Senator, five Representatives)—Senate: HENRY L. JACKSON, Democrat, of Washington; House: JAMES W. TRIMBLE, Democrat, of Arkansas; J. EDWARD ROUSH, Democrat, of Indiana; WAYNE L. HAYS, Democrat, of Ohio; WILLIAM J. GREEN, Democrat, of Pennsylvania; WRIGHT PATMAN, Democrat, of Texas.

Delta Kappa Epsilon (four Senators, five Representatives)—Senate: LISTER HILL, Democrat, of Alabama; RUSSELL LONG, Democrat, of Louisiana; STUART SYMINGTON, Democrat, of Missouri; STEPHEN YOUNG, Democrat, of Ohio; House: DON EDWARDS, Democrat, of California; STANLEY R. TUPPER, Republican, of Maine; ROGERS C. MORTON, Republican, of Maryland; GERALD FORD, Republican, of Michigan; JAMES C. CLEVELAND, Republican, of New Hampshire.

Delta Phi (one Senator)—Senate: DANIEL BREWSTER, Democrat, of Maryland.

Delta Psi (one Senator)—Senate: JOSEPH CLARK, Democrat, of Pennsylvania.

Delta Sigma Phi (three Representatives)—House: E. ROSS ADAIR, Republican, of Indiana; F. EDWARD HEBERT, Democrat, of Louisiana; HERVEY G. MACHEN, Democrat, of Maryland.

Delta Tau Delta (two Representatives)—House: JAMES H. MORRISON, Democrat, of Louisiana; JACKSON E. BETTS, Republican, of Ohio.

Delta Upsilon (three Senators, three Representatives)—Senate: PAUL DOUGLAS, Democrat, of Illinois; CLIFFORD CASE, Republican, of New Jersey; WINSTON PROUTY, Republican, of Vermont; House: J. ARTHUR YOUNGER, Republican, of California; CHARLES P. FARNSLEY, Democrat, of Kentucky; ROBERT STAFFORD, Republican, of Vermont.

Delta Zeta (one Senator)—Senate: MAURINE NEUBERGER, Democrat, of Oregon.

Kappa Alpha Order (one Senator; 10 Representatives)—Senate: CALEB BOGGS, Republican, of Delaware; House: ROBERT E. JONES, Democrat, of Alabama; CHARLES S. GUBSER, Republican, of California; BOB WILSON, Republican, of California; CLAUDE PEPPER, Democrat, of Florida; ROBERT G. STEPHENS, Democrat, of Georgia; CARL ALBERT, Democrat, of Oklahoma; TOM S. GETTYS, Democrat, of South Carolina; PORTER HARDY, Democrat, of Virginia; JOEL T. BROYHILL, Republican, of Virginia.

Kappa Sigma (two Senators, 5 Representatives)—Senate: PAUL FANNIN, Republican, of Arizona; JOHN TOWER, Republican, of Texas; House: DANTE B. FASCELL, Democrat, of Florida; ROBERT DOLE, Republican, of Kansas; JOE D. WAGGONER, Democrat, of Louisiana; FRANK J. HORTON, Republican, of New York; ALBERT W. WATSON, Democrat, of South Carolina.

Lambda Chi Alpha (two Senators, seven Representatives)—Senate: VANCE HARTKE,

Democrat, of Indiana; ALAN BIBLE, Democrat, of Nevada; House: HAROLD T. JOHNSON, Democrat, of California; RICHARD T. HANNA, Democrat, of California; DURWARD G. HALL, Republican, of Missouri; E. Y. BERRY, Republican, of South Dakota; THOMAS G. ABERNETHY, Democrat, of Mississippi; NEIMAN CRALEY, Democrat, of Pennsylvania; OMAR BURLESON, Democrat, of Texas.

Omega Psi Phi (one Representative)—House: ROBERT NIX, Democrat, of Pennsylvania.

Phi Delta Theta (18 Representatives)—House: PAUL G. ROGERS, Democrat, of Florida; HOWARD H. CALLAWAY, Republican, of Georgia; WILLIAM L. SPRINGER, Republican, of Illinois; GARNER E. SHRIVER, Republican, of Kansas; FRANK CHELF, Democrat, of Kentucky; RICHARD BOLLING, Democrat, of Missouri; WILLIAM B. WIDNALL, Republican, of New Jersey; CHARLES E. GOODELL, Republican, of New York; HAROLD D. COOLEY, Democrat, of North Carolina; JAMES T. BROYHILL, Republican, of North Carolina; JOHN JARMAN, Democrat, of Oklahoma; ROBERT J. CORBETT, Republican, of Pennsylvania; JAMES G. FULTON, Republican, of Pennsylvania; CLARK W. THOMPSON, Democrat, of Texas; CHESTER L. MIZE, Republican, of Kansas; ROBERT MC EWEN, Republican, of New York; BARBER CONABLE, Republican, of New York; and BROCK ADAMS, Democrat, of Washington.

Phi Epsilon Pi (one Representative)—House: JOHN V. LINDSAY, Republican, of New York.

Phi Gamma Delta (two Senators, five Representatives)—Senate: GORDON ALLOTT, Republican, of Colorado; MIKE MONRONEY, Democrat, of Oklahoma; House: ALPHONZO BELL, Republican, of California; COMPTON I. WHITE, Democrat, of Idaho; BARRETT O'HARA, Democrat, of Illinois; OGDEN R. REID, Republican, of New York; ED EDMONDSON, Democrat, of Oklahoma; DAVID E. SATTERFIELD, Democrat, of Virginia.

Phi Kappa Psi (one Senator, four Representatives)—Senate: THOMAS KUCHEL, Republican, of California; House: CRAIG HOMER, Republican, of California; WINFIELD K. DENTON, Democrat, of Indiana; WILLIAM J. RANDALL, Democrat, of Missouri; JOHN O. MARSH, Democrat, of Virginia.

Phi Kappa Sigma (one Senator, three Representatives)—Senate: JOSEPH D. TYDINGS, Democrat, of Maryland; House: HOWARD W. ROBISON, Republican, of New York; RICHARD S. SCHWEIKER, Republican, of Pennsylvania; JOE L. EVINS, Democrat, of Tennessee.

Phi Kappa Theta (one Senator)—Senate: EUGENE MCCARTHY, Democrat, of Minnesota. Phi Sigma Kappa (one Senator, one Representative)—Senate: FRANK LAUSCHE, Democrat, of Ohio; House: THOMAS CURTIS, Republican, of Missouri.

Pi Kappa Alpha (8 Senators, 10 Representatives)—Senate: JOHN SPARKMAN, Democrat, of Alabama; EVERETT DIRKSEN, Republican, of Illinois; ALLEN ELLENDER, Democrat, of Louisiana; WAYNE MORSE, Democrat, of Oregon; STROM THURMOND, Republican, of South Carolina; FRANK MOSS, Democrat, of Utah; WILLIS ROBERTSON, Democrat, of Virginia; JOHN R. WILLIAMS, Republican, of Delaware; House: JOHN BUCHANAN, Republican, of Alabama; E. C. GATHINGS, Democrat, of Arkansas; MASTON O'NEAL, Democrat, of Georgia; LESLIE C. ARENDS, Republican, of Illinois; WILLIAM M. COLMER, Democrat, of Mississippi; PAUL C. JONES, Democrat, of Missouri; GLENN CUNNINGHAM, Republican, of Nebraska; ALEXANDER PIRNIE, Republican, of New York; DAVID N. HENDERSON, Democrat, of North Carolina; JOE R. POOL, Democrat, of Texas.

Pi Kappa Phi (one Senator, one Representative)—Senate: OLIN JOHNSON, Democrat, of South Carolina; House: A. SYDNEY HERLONG, Democrat, of Florida.

Psi Upsilon (two Representatives)—House: CLARK MACGREGOR, Republican, of Minnesota; SAMUEL S. STRATTON, Democrat, of New York.

Sigma Alpha Epsilon (two Senators, nine Representatives)—Senate: GEORGE SMATHERS, Democrat, of Florida; RICHARD RUSSELL, Democrat, of Georgia; House: ARMISTEAD I. SELDEN, Democrat, of Alabama; OREN HARRIS, Democrat, of Arkansas; LIONEL VAN DEERLIN, Democrat, of California; JOHN J. FLYNT, Democrat, of Georgia; F. BRADFORD MORSE, Democrat, of Massachusetts; DANIEL J. FLOOD, Democrat, of Pennsylvania; W. E. BROCK, Republican, of Tennessee; TOM MURRAY, Democrat, of Tennessee; WALTER S. BARING, Democrat, of Nevada.

Sigma Chi (two Senators, nine Representatives)—Senate: J. WILLIAM FULBRIGHT, Democrat, of Arkansas; LEE METCALF, Democrat, of Montana; House: RALPH J. RIVERS, Democrat, of Alaska; BURT L. TALCOTT, Republican, of California; WILLIAM C. CRAMER, Republican, of Florida; RICHARD L. ROUDEBUSH, Republican, of Indiana; THOMAS G. MORRIS, Democrat, of New Mexico; JOHN W. WYDLER, Republican, of New York; ROBERT B. DUNCAN, Democrat, of Oregon; WILLARD S. CURTIN, Republican, of Pennsylvania; MARK ANDREWS, Republican, of North Dakota.

Sigma Kappa (one Senator)—Senate: MARGARET CHASE SMITH, Republican, of Maine.

Sigma Nu (two Senators, three Representatives)—Senate: HERMAN TALMADGE, Democrat, of Georgia; QUENTIN N. BURDICK, Democrat, of North Dakota; House: GEORGE ANDREWS, Democrat, of Alabama; ROBERT M. MICHEL, Republican, of Illinois; SAMUEL L. DEVINE, Republican, of Ohio.

Sigma Phi (one Representative)—House: HASTINGS KEITH, Republican, of Massachusetts.

Sigma Phi Epsilon (three Senators, six Representatives)—Senate: CARL HAYDEN, Democrat, of Arizona; BOURKE HICKENLOOPER, Republican, of Iowa; HARRY BYRD, Democrat, of Virginia; House: D. R. MATTHEWS, Democrat, of Florida; BASIL L. WHITENER, Democrat, of North Carolina; PAGE BELCHER, Republican, of Oklahoma; WALTER ROGERS, Democrat, of Texas; WILLIAM M. TUCK, Democrat, of Virginia; W. PAT JENNINGS, Democrat, of Virginia.

Sigma Pi (one Representative)—House: FRANK BOW, Republican, of Ohio.

Tau Kappa Epsilon (one Senator)—Senate: ROBERT BYRD, Democrat, of West Virginia.

Theta Chi (two Senators, one Representative)—Senate: WARREN G. MAGNUSON, Democrat, of Washington; CARL CURTIS, Republican, of Nebraska; House: EUGENE C. KEOGH, Democrat, of New York.

Theta Delta Chi (one Representative)—House: HERMAN SCHNEEBELI, Republican, of Pennsylvania.

Theta Xi (one Senator)—Senate: FRANK CHURCH, Democrat, of Idaho.

Zeta Beta Tau (one Senator, one Representative)—Senate: ABRAHAM RIBICOFF, Democrat, of Connecticut; House: RICHARD L. OTTINGER, Democrat, of New York.

Mr. ERVIN. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. ERVIN. I suggest to the Senator from Illinois that he modify his amendment by adding the word "any" between the word "organization" and the word "fraternity" and, by adding these words at the end of the amendment, and then changing the period at the end of the amendment to a comma and adding, "whose facilities are not owned by the institution of higher education and whose activities are financed by funds derived from private sources."

I believe that amendment would take care of every objection raised.

Mr. DIRKSEN. I believe the amendment deals only with facilities and own-

ership of property and does not touch the question of the internal conduct of these organizations.

Mr. ERVIN. That is correct.

Mr. DIRKSEN. I have no objection.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. TOWER. This would still have the effect of not proscribing college or university facilities, that is, religious organizations on campus such as the Newman Club, the Wesleyan Club, the Canterbury Club, and other similar organizations.

Mr. ERVIN. That is true, because title VI of the Civil Rights Act of 1964 permits discrimination on religious grounds and also on the basis of race, and national origin.

Mr. TOWER. I join the Senator from North Carolina in urging the Senate minority leader to accept the suggested modification.

Mr. JAVITS. The modification does not use the word "only" or "exclusively." But it is understood that the word "financing" means total financing that comes from private sources.

I wish to make it clear that we are not talking about loose words.

Mr. DIRKSEN. I believe that is correct.

Mr. JAVITS. And when the modification uses the word "own," it is not being tautological and authorizing tricks in which mortgages may be given. But when it says "own", "seized of" in the law, it covers fraternities or sororities which are using a facility under the usual arrangements in higher education.

Mr. DIRKSEN. Ownership has a precise meaning in law, and I am sure the Senator from North Carolina had that in mind.

Mr. ERVIN. That is what I had in mind.

I do not know whether the amendment offered by the Senator from Illinois has the word on the last line as offered, "of" an institution of higher learning.

If so, it should be stricken.

Mr. JAVITS. I am sorry, but I did not hear what the Senator just said.

Mr. ERVIN. The way I proposed the amendment described, the last read "of any institution of higher learning." That should be "at".

Mr. JAVITS. Yes.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. TOWER. As to the term "ownership," would that include land leased from the university for, say, 99 years?

Mr. ERVIN. I think it would.

Mr. TOWER. Involving a reversionary interest?

Mr. ERVIN. The amendment would apply to fraternities, sororities, and other private clubs whose facilities are not owned by the institution of higher learning, and whose activities are financed by funds from private sources.

Mr. DIRKSEN. That is correct.

Mr. JAVITS. I gather that ownership means effective ownership.

Mr. ERVIN. Or control.

Mr. JAVITS. We are attempting to

legislate on the floor. It is very hurried. I do not associate myself with the policy at all. That is neither here nor there. We are attempting to write law consistent with existing law.

I understand that the Senator from Illinois accepted the concept explained by the Senator from Montana. We are trying now to make the amendment cover only activities which are truly private and are not affected directly or indirectly by Federal funds. He wants observed the particular limitation which was placed on the power of the Federal Civil Rights Commission in the 1964 act, and that is what he is trying to carry out by this amendment.

Mr. DIRKSEN. The protection most fundamental of all freedoms is the freedom of association, and that is involved here. That is the reason we were rather extensive in the Civil Rights Act of 1964.

Mr. JAVITS. We are also not seeking to repeal or change section 602 of the Civil Rights Act.

Mr. DIRKSEN. I had no such intent.

Mr. ERVIN. Mr. President, the Congress dealt with this subject in subsection (e) of section 201 of the Civil Rights Act of 1964, which related to public accommodations. We expressly stated that:

The provisions of this title shall not apply to a private club or other establishments not in fact open to the public, except to the extent that the facilities of such establishment are made available to the customers or patrons of an establishment within the scope of subsection (b).

We stated expressly, as the Senator from Illinois has read from section 104, paragraph 6, in connection with the authority of the Commission on Civil Rights:

Nothing in this or any other Act shall be construed as authorizing the Commission, its Advisory Committees, or any person under its supervision or control to inquire into or investigate any membership practices or internal operations of any fraternal organization, any college or university fraternity or sorority, any private club or any religious organization.

This amendment is in harmony with the spirit of the two provisions. The Vice President of the United States was the floor manager of the Civil Rights Act of 1964 when it was adopted. He said:

Title VI does not confer "shotgun" authority to cut off all Federal aid to a State. Any nondiscrimination requirement an agency adopts must be supportable as tending to end racial discrimination with respect to the particular program or activity to which it applies.

I believe that one can search title VI of the Civil Rights Act of 1964 without finding that the Federal Government was embarking on any program which contemplated that persons should be denied the right to select their own associates in private organization.

The PRESIDING OFFICER. Does the Senator from Illinois modify his amendment accordingly?

Mr. DIRKSEN. In view of the general concurrence, I trust that the Senator in charge of the bill will be willing to accept the amendment in the modified form.

The PRESIDING OFFICER. The amendment is so modified.

Mr. DIRKSEN. Yes.

Mr. METCALF. Mr. President, I believe the RECORD should show that the statement of the Senator from Illinois about the Negro pledge at Stanford University being expelled from the fraternity is correct. There has not been any question about the pledge's character.

Mr. DIRKSEN. I did not say there was.

Mr. METCALF. The Negro was pledged by the local. The local is wholeheartedly and unequivocally behind him. The chapter was expelled by the national fraternity.

Mr. DIRKSEN. I was referring to the point made by the national headquarters of Sigma Chi. They assigned a wholly different reason for the suspension of the Stanford chapter. I know nothing about the other matter.

Mr. METCALF. I thank the Senator.

Mr. MORSE. Mr. President, I wish to discuss this matter for a few minutes uninterrupted, and then I shall be glad to yield.

I thank the Senator from Illinois for raising this point at the beginning of our consideration of the bill. It is a very difficult issue, and probably the most difficult issue that we shall have to meet in connection with the bill. I wish it were not before the Senate.

It is a mistake for us to take action on this matter. It is in conference. I point out to the Senate that we have held no hearings on this subject. It was never raised during the hearings. No witnesses testified on it. When we finally got to the markup in the full committee—not in the subcommittee, but in the full committee—the House had taken action on the Waggoner amendment. It was called to our attention in the full committee.

I should say to the Senate very candidly that between the time of the meeting of the full committee and the action taken by the House the matter was brought up, and it was the decision of the committee, based in part on procedural grounds, that we should not accept the amendment in full committee, that we should oppose it on the floor, and also that the matter should go to conference.

I am not saying that this was the unanimous position of all members of the committee. However, I do not recall of any member taking a different view. No roll call vote was had, but this was the consensus of opinion.

I will tell the Senate what some of the fears are. I wish to express these fears, and of course I shall abide by what the Senate wishes to do. I hope that in the next few minutes members of both the full committee and the subcommittee will advise the chairman of the subcommittee what their position is. I wish to call attention to these facets. Of course, if we had taken the amendment as proposed by the Senator from Illinois in the first instance, it would have been locked into the bill, and it would not have been a matter for conference.

I will tell the Senate where I believe the problem should be handled. It should not be handled in connection with the higher education bill in the absence

of hearings on it. It should be handled as an amendment to the Civil Rights Act. That is where it belongs. When all is said and done, this is pregnant with civil rights problems. I shall not take the time to go into details, as I told the Senator from Illinois, but I can give a long list of hypothetical situations which would create civil rights problems.

It was suggested in one conversation a few minutes ago—and this suggestion was made by my colleague from Oregon [Mrs. NEUBERGER]—that the handling of fraternities and sororities varies from campus to campus. On some campuses a wing of a men's dormitory or a wing of a women's dormitory is set aside for fraternity or sorority use. They pay rent to the institution. In some instances some student fees go to build some of the dormitories. There are housing programs, as the Senator from Alabama must know, in connection with his great work as chairman of the Housing Subcommittee. On some campuses a dormitory does not have a dime of State money in it, save and except for certain subsidies, such as janitorial services, and so forth, but students construct their buildings out of student fees. What we need to be agreed on is that we are moving, no matter how true our intention to the contrary may be, to a breakthrough in the application of the Civil Rights Act, particularly with respect to title VI of the act.

This is the first breakthrough on title VI of the Civil Rights Act.

My own preference would be not to take any action on the amendment. It will be in conference. We have the time between now and the conference to talk among ourselves on the committee. I would prefer to have the committee itself get together and advise the chairman as to what its views are with respect to the amendment.

From the best that I can learn, there is this history about the amendment: The Senator from Illinois, with his usual fairness, implied clearly that there may be some change of point of view on the part of certain Members of the House, and perhaps some change of view on the part of some of the conferees on the part of the House. There is no doubt about it, because in representations that have been made to me since this discussion started—and we have only been at it for an hour—I have been advised that there has been a considerable change of heart and great concern among some of the Members of the House, who say they misunderstood the amendment. The amendment apparently meant what they did not know it meant, and they have cautioned me not to adopt the amendment, at least not in the House form.

The Senate is entitled to know this, and, of course, I shall not conceal from the Senate any information, any more than I would conceal it from the members of my committee.

I believe the Senate is playing with something that may have some serious repercussions far beyond the education bill, which will cause a great deal of confusion and concern in the country as to

whether or not we hold true to the provisions of the Civil Rights Act.

Further, for legislative history, on August 26, 1965, immediately before the passage of H.R. 9567, the proposed Higher Education Act of 1965, Mr. WAGGONER proposed an amendment to subsection 704, as reported by the Committee on Education, which was accepted by Mr. POWELL, the committee chairman, and agreed to by the House. The section is as the Senator from Illinois [Mr. DIRKSEN] reported it to the Senate.

Mr. WAGGONER stated that Congress did not intend the Civil Rights Act to be applied in such a manner as to interfere with the membership practices or internal operations of fraternal or special organizations or to authorize their withholding of Federal assistance at any time on such basis.

The Senator from New York [Mr. JAVITS] has said he does not intend, and I do not intend, to interfere with the private rights of social fraternities. I say most respectfully, as I have said to members of my own fraternity, that social fraternities and sororities in this country ought to face the fact that they are living in a new era and are connected inseparably with an educational institution in its educational processes.

It is not true any more that a social fraternity or sorority is 100 percent a private institution on a campus. It is a part of the campus. I consider it a quasi-public institution, within the campus, in carrying out the educational purposes of the campus. Although we refer to them as social fraternities and sororities, if that were their only purpose, I would seriously question their right to exist on a campus. But that is not for me to determine. It is because they are designed to contribute to the educational process of the student that they are basically justified, through developing the social and cultural side of the student's life. That is their main function. But I am not proposing to interfere in any way with the privacy of a social fraternity.

I yield to the Senator from Rhode Island.

Mr. PASTORE. In view of what the Senator from Oregon has said, I wonder, if the Dirksen amendment with the modification suggested by the Senator from North Carolina is adopted, how much of this problem will be in conference, in view of the action taken by the House of Representatives.

Mr. MORSE. In my opinion, the whole proposal will be in conference, and I think that understanding ought to be of legislative record.

Mr. President, a parliamentary inquiry

The PRESIDING OFFICER. The Senator from Oregon will state it.

Mr. MORSE. If we adopt the Dirksen amendment as modified, will not the entire issue then be in conference?

The PRESIDING OFFICER. That is true.

Mr. MORSE. Mr. President, as I have stated, I prefer no amendment at all. The language of the printed section appears to go far beyond Representative

WAGGONNER's intention. I do not question the sincerity of his intention. He says:

Nothing contained in this Act or any other Act shall be construed to authorize any department, agency, officer or employee of the United States to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution.

That is what the amended language literally states. It can presumably be argued that all educational institutions, from kindergartens to universities, are exempt from all Federal legislation and Executive orders of general applicability affecting their operations, such as, for example, those involving wage and hour requirements and those involving non-discrimination in employment practices under Federal contracts.

Whatever else may be said, the sponsor's remarks make it clear that the insertion of the words, in the Waggonner amendment, "or any other act," was specifically intended to refer to title VI of the Civil Rights Act. If all of the amendment had followed the original section 704, so as to read, "neither this act nor any other act shall be construed to exercise any control over the membership, practices, or internal operations of any fraternal organization," then only the sponsor's intention, as announced in the debate, would have been carried out. But the words "or any other act" are inserted in the first line, so the section reads in full:

Nothing contained in this Act or the Civil Rights Act of 1964 shall be construed to authorize any department to exercise any direction, supervision, or control over the curriculum, program of instruction, or personnel of any educational institution or administration.

Mr. President, the plain language would seem to exempt all educational institutions as well as fraternities from title I coverage. Even fraternities are ostensibly the object of protection. The Waggonner amendment seems capable of misinterpretation. Chairman WAGGONNER states:

I do not believe there should be any withdrawing of funds from any institution of higher education because of discriminatory practices on the campus by private clubs. I don't think we would have any right to impose that restriction.

Mr. President, that is what the Senator from Rhode Island and others, in our private conversations, have stressed. All we seek to make certain is that we will not misguidedly accept an amendment that will have the effect of plowing taxpayers' money into the facilities of a fraternity or a sorority that follows a discriminatory policy, based upon race, color, or creed.

I want to be absolutely certain that we are guaranteeing that protection to the people of this country. If we are not, no matter how nicely we phrase it, we are pulling the rug out from under the Civil Rights Act. We will start, in my opinion, an avalanche that will finally cause the Civil Rights Act to slide into an abyss of violation.

Mr. PASTORE. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. PASTORE. Neither do we want money that belongs to all the taxpayers to be granted to a university that supports, aids, or abets in any way a private organization that discriminates against people.

Mr. MORSE. The Senator is correct.

Mr. HOLLAND. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. HOLLAND. I strongly differ with the statement just made by the distinguished Senator from Rhode Island. I do not recall anything in the Civil Rights Act that for a moment indicates that the Federal Government cannot support a university which permits fraternities to exist at that university on private property outside the university, if the fraternity houses are constructed with private money, and as to which no public money is involved in any way.

It is not my view that merely by permitting fraternities to exist at universities under such conditions, the universities are cut off from any right to be considered American and to have access to American programs that are conducted with Federal Government money.

Mr. PASTORE. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. PASTORE. I did not use the word "exist." I referred to any university that supports, directly or indirectly, an organization on its campus that discriminates against people. There is a big distinction.

Federal money, money that belongs to all the people, cannot be used to support any organization that discriminates in violation of the Constitution. That is the point we are discussing today. If we can separate these viewpoints, I have no cause for complaint. I do not wish any university to become involved in the internal affairs of a fraternity. I am not talking about that. But if a university begins to turn over its facilities to a fraternity, or begins to allow a fraternity the use of its land, or begins to allow a fraternity to use a dormitory and says, "You do not own these facilities; you merely rent them," we shall be doing indirectly what title VI prohibits us from doing. That is what I am talking about today. I am speaking about supporting, directly or indirectly, any organization, even privately conducted, that discriminates against people, because that is in violation of the Constitution. The Supreme Court has said so, and Congress said so in title VI when it passed the Civil Rights Act.

Mr. HOLLAND. Mr. President, will the Senator from Oregon further yield?

Mr. MORSE. I yield.

Mr. HOLLAND. The Senator from Rhode Island and I are not so far apart. Apparently he meant his earlier remarks to apply only in a case in which the university was supporting, by its material means, a fraternity which, as he says, practices discrimination. I understood his original remarks to mean that he referred to a university which permitted fraternities to exist, no matter how private they were or how fully they were privately supported, but yet had access to

Federal financial programs. I understand now that he did not mean that.

Mr. PASTORE. I did not say that. It is not what I meant; it is what I said.

Mr. HOLLAND. I appreciate the explanation of the distinguished Senator from Rhode Island.

Mr. PASTORE. I know what I meant.

Mr. HOLLAND. We are not far apart.

If the Senator from Oregon will permit me to continue, I believe that the amendment should be adopted in the modified form in which it now exists. Then the result of its adoption would be to leave in conference a discussion of the matters lying between the minimum application which would be made by the amendment in its present form and the much larger application of this question which would be made by the so-called Wagner amendment adopted by the House.

It seems to me that the committee of conference will have a real job on its hands, because in that middle ground are problems which will, somehow, have to be and should be considered and settled, so far as the final conference report upon the bill and its passage will permit.

One of the problems is this: Suppose a fraternity had, under earlier law, prior to the passage of the Civil Rights Act, borrowed Federal funds for the construction of a fraternity house, belonging to it, on lands belonging to the fraternity, but outside the university campus, and without any knowledge that such a law as the Civil Rights Act of 1964 would ever be enacted.

There is a question as to whether the fact that that loan was made in the past—perhaps in the remote past—would bring that fraternity house, and therefore the organization which used it as a headquarters, within the proscribed area of title VI of the 1964 Civil Rights Act. There are many other matters which would come—if I may say so—in the gray stage of this question. It seems to me that the amendment of the Senator from Illinois as now modified by the additional words placed in it at the suggestion of the Senator from North Carolina, and accepted by the Senator from Illinois, states the minimum which should be enacted by the Senate. In effect, it would provide that when there is a fraternity house existing on private land, owned for and paid for by the fraternity and its members and alumni, and upon which a house has been constructed, paid for by the members and alumni of that fraternity, with no public money in it, with no Federal money in it, and the fraternity members live or meet in that house off the campus, by no means is it to be affected, and by no means is the university to be affected by reason of the fact that it recognizes such a fraternity as a lawful part of its entire university complex.

Mr. MORSE. As to last example the Senator cites, there is no difference among us. That is the clear right of the fraternity. The trouble is that we get into cases in which there are mixed funds and a fraternity is the beneficiary of the taxpayers of the United States to some degree—and, to me, it makes no differ-

ence to what degree, so long as it is to some degree. In my judgment, we should not be adopting an amendment in the Senate today that could, by any stretch of the imagination, result in Federal support for its discriminatory policy; and if Federal money is involved, to any degree whatsoever, we are supporting discriminatory policies with Federal aid.

Mr. HOLLAND. Does that mean if any Federal money goes in from the date of enactment of that act, or does it mean that a loan made, let us say, for the construction of a chapter house years before, upon a lot owned by the fraternity off-campus, would bring it within the purview of this prohibition?

Mr. ERVIN. Mr. President, will the Senator from Oregon yield on that point?

Mr. MORSE. I yield.

Mr. ERVIN. I believe that the point raised by the Senator from Florida is covered by section 602 of title VI of the Civil Rights Act of 1964. The distinguished junior Senator from Alabama secured an amendment, when that bill was being considered, which exempted from the provisions of title VI any contracts executed by the Federal Government whereby the Federal Government merely guaranteed the payment of a deed trust or mortgage; and it is expressly excluded from the provisions of title VI.

Mr. HOLLAND. I thank the distinguished Senator from North Carolina for calling attention to that very fine provision in the act. However, I do not believe that it covers the entire situation, but it does cover the situation concerning Federal insurance or indemnities.

Mr. President, if the Senator will yield to me further—

Mr. MORSE. I was about to answer that question.

Mr. HOLLAND. I am deeply disturbed about this question, because I have already received numerous complaints from members of the fraternity to which I happen to belong, that it is being threatened with expulsion from certain university campuses throughout the country in spite of the fact that in most cases it owns its own fraternity houses and owns them off the campus. I cannot understand why this sort of threat should be applied to it. Yet, I am told that there are numerous cases.

If the Senator will yield to me further, I apologize for mentioning a personal situation, but when I was a law student at the University of Florida, I was assigned by my fraternity to travel the length and breadth of the State of Florida to obtain enough funds to build the first little house upon a lot which we had purchased the year before, without any public funds.

That fraternity house has been replaced from time to time by more expensive edifices, but always at the expense of the members, alumni, and families of the members of the fraternity.

I believe that there is no possible rationale by which the existence of that fraternity, or the fact that the university recognizes that fraternity, could make any trouble for either under the civil rights law. I also happen to be a gradu-

ate of another university, Emory University, at which the practice is for the chapter houses to be erected on long-lease lots on the university campus. I am assuming that some loans may have come from Federal sources, but I am not even sure about that. I know that loans have been made, and that the university as such does receive rather large Federal grants for research and various other activities there.

I realize that in that set of facts there is a quite different situation from the one at the first institution which I have mentioned. Therefore, I would very much like to see the Senate adopt the amendment in the form in which it is at present, because I believe that it is in the minimal form. I have understood the distinguished Senator from Oregon to say that in such cases as those which would be covered by the amendment in its present form—and I have stated one such in the RECORD—there could not be any difference of opinion. Then, in conference, there will be a rather wide variety of cases lying between that minimal statement of security—if I may call it that in the pending amendment—and the much larger coverage of the House language.

I am quite willing to leave it to the able conferees to handle the problem on the basis of equity to all concerned. I am not willing to vote down an amendment which certainly recognizes and preserves the precious right of individual association with persons of our own choice such as those who gather in the chapter house which I have mentioned at the University of Florida.

Mr. President, it so happens that our near neighbor there is a Jewish fraternity. We are good friends of theirs, and they are good friends of ours. We visit each other back and forth. I do not know whether they discriminate against us by not asking us to join their fraternity, or whether we are discriminating against them. I will leave it to others to say whether there is any discrimination and, if so, by whom. But the fact is that people do choose to associate with other people of their own kind. That has been the rule during all of history, and I believe that it will continue to be the rule right along.

I just do not wish to see us avoid the opportunity to go on record as recognizing the right of association with people of our own choice and preference as being a fundamental right under our American system.

I thank the Senator from Oregon for yielding to me.

Mr. DIRKSEN. Mr. President, let me make it plain that I did not initiate this amendment. The last section of the 80-page House bill, section 604, is under the caption of "Federal Control of Education Prohibited." It prohibits supervision, direction, and control over curriculums, and that sort of things, as they appertain to schools. The Representative from Louisiana added to that only one clause; namely, as to supervision of programs, practices, and internal operations of fraternal organizations, sororities, and so forth.

That is in the House bill. The Senate

committee did not put it in the Senate version.

It is before the Senate at the present time in modified form. I believe that is a pretty good form in which to take it to the conference. If further modification is necessary, that can be done. I believe that it should be agreed to.

The bill was passed in the House by a vote of 367 to 22 with that provision in the bill. The chairman of the House committee, Representative ADAM CLAYTON POWELL, stood on the floor of the House and supported that amendment. If pressure is put on that there ought to be a modification and the Senate does not protect itself, then what?

I believe that the Senate ought to accept this proposal and refine it further if necessary. I did not initiate it. It started on the House side and was then laid in my lap.

Mr. MORSE. Mr. President, I know exactly what the situation of the Senator from Illinois is. He did not initiate it. I know how this came about. The Senator has made a statement as to what happened. He has a responsibility to the Senate, just as I have a responsibility, although I dislike to take this amount of time to make this legislative history. I am almost through. I shall summarize it and then ask to have a part of the statement printed in the RECORD.

I yield to the Senator from Michigan.

Mr. McNAMARA. Mr. President, did I correctly understand that the Parliamentarian held that this entire matter, regardless of what our RECORD shows at this point, will be in conference?

Mr. MORSE. The Senator is correct. All issues will be in conference.

If the Senate will hear me for a moment or two longer, I want to say that discrimination by fraternities is not the only issue.

Mr. President, I would hope that we would not adopt this amendment now. It will be incomplete. No testimony for the proposed amendment was presented at the hearings held for the bill and the committee itself has had no opportunity to act upon it.

We have no evidence to indicate that there is even a need for the proposed amendment, no facts to show that the problem has actually arisen.

This is not the place nor the time to debate the question of the relationship of fraternities and other private organizations to institutions of higher education. The question arises from the application to the Civil Rights Act of 1964 to the practices of discrimination based on race and color by some college fraternities.

Institutions of higher education are required to file with the Office of Education an assurance of compliance with the Civil Rights Act in order to participate in all Federal assistance programs. Section 601 of the Civil Rights Act of 1964 states:

No person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

The assurance of nondiscrimination given by the university applies to the entire institution and the practices under its jurisdiction relating to the treatment of students. This means any facilities affording to students the opportunity to participate in any educational, cultural, athletic, recreational, social, or other program of activity. The university also declares it will make available to students any "housing, eating, or health service" and for the use of students "any building, room, space, materials, equipment, or other property."

This language, which appears in the formal explanation of the assurance of compliance makes it clear that a fraternity or other private organization on campus and under the jurisdiction of the university may not engage in practices which discriminate on the basis of race, color, or national origin.

This is a policy which many universities adopted years ago on their own initiative. We do not here have to reopen the question of a university's responsibilities under the Civil Rights Act of 1964, which is now the law of the land.

Mr. President, I ask unanimous consent that the explanation of form No. 441 I referred to be printed at this point in my remarks.

There being no objection, the explanation was ordered to be printed in the RECORD, as follows:

EXPLANATION OF HEW FORM NO. 441, ASSURANCE OF COMPLIANCE WITH THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE REGULATION UNDER TITLE VI OF THE CIVIL RIGHTS ACT OF 1964

Section 80.4 of the Department of Health, Education, and Welfare's regulation effectuating title VI of the Civil Rights Act of 1964 requires that every application to the Department for Federal financial assistance shall contain or be accompanied by an assurance that the program or facility to be assisted will be conducted or operated in compliance with title VI of the Civil Rights Act and with all requirements imposed by or pursuant to the Department's regulation.

Section 80.4 further provides that "the form of the foregoing assurance and the extent to which like assurances will be required of subgrantees, contractors, transferees, successors in interest, and other participants," shall be specified by the responsible Department official. Under this authority, HEW form No. 441 has been specified as the form of assurance which shall apply to all applications for Federal financial assistance (except for continuing State programs which must meet the requirements of section 80.4 (b) and school districts availing themselves of section 80.4(c) of the regulation) submitted to the Department after January 3, 1965; also the circumstances have been specified under which an applicant shall obtain comparable written assurances of compliance from its subgrantees, contractors, and transferees. (See answers to questions 11 and 12 below in this regard.)

HEW form No. 441 constitutes a legally enforceable agreement to comply with title VI of the Civil Rights Act of 1964, and with all requirements imposed by or pursuant to the regulation of the Department of Health, Education, and Welfare issued thereunder. Applicants are urged to read the Department's regulation before executing the assurance.

The following explanation of the requirements of the Department's regulation and the examples of the kinds of discriminatory practices prohibited by them are for the guidance of the applicants.

1. By executing the assurance (HEW form No. 441), what does an applicant agree to do?

A. The applicant agrees to make no distinction on the ground of race, color, or national origin in providing to individuals any service, financial aid, or other benefit under any program receiving Federal financial assistance extended to the applicant by the Department.

2. What is meant by "distinction on the ground of race, color, or national origin"?

A. "Distinction on the ground of race, color, or national origin" includes (1) any type of segregation, separate or different treatment, or other discrimination on that ground; (2) the imposition of any admission, enrollment quota, eligibility, or other requirement or condition which individuals must meet in order to be provided any service, financial aid, or other benefit under a program or to be afforded an opportunity to participate in a program, if the race, color, or national origin of individuals is considered in determining whether they meet any such requirement or condition; (3) the use of membership in a group as a basis for the selection of individuals for any purpose, if in selecting members of the group there is discrimination on the ground of race, color, or national origin; and (4) the assignment of personnel to provide services, or the assignment of times or places for the provision of services, on the basis of the race, color, or national origin of the individuals to be served. It does not, however, include distinctions on the ground of race, color, or national origin determined by the responsible Department official to be necessary to the conduct of research or experimental programs having as their primary objective the discovery of new knowledge concerning special characteristics of particular racial or other ethnic groups.

3. What is meant by "service, financial aid, or other benefit"?

A. "Service, financial aid, or other benefit" under a program receiving Federal financial assistance includes any education or training, any evaluation, guidance, counseling, or placement service, any health, welfare, rehabilitation, housing, or recreational service, any referral of individuals for any of the foregoing services, any scholarship, fellowship or traineeship stipend or allowance, and any loan or other financial assistance or benefit (whether in cash or in kind), which is made available to individuals (1) with the aid of Federal financial assistance, or (2) with the aid of the applicant's or of other non-Federal funds required to be made available for the program as a condition to the receipt of Federal financial assistance, or (3) in or through a facility provided with the aid of Federal financial assistance or the non-Federal matching funds referred to in (2).

4. What requirements are placed on the use of facilities?

A. The applicant agrees to make no distinction on the ground of race, color, or national origin in making available to individuals the use of any land, building, equipment, or other facility leased, acquired, constructed, improved, or equipped with the aid of Federal financial assistance extended to the applicant by the Department, including (a) the use of any room, dormitory, ward, or other space in the facility; (b) the use of any equipment in the facility; (c) the use of any office, waiting room, restroom, eating, recreational, concession, or other accommodation or convenience provided in the facility; (d) the use of any facility not provided with the aid of Federal financial "assistance" if the availability of such facility is required as a condition to the receipt of Federal financial assistance for the federally assisted facility.

5. What requirements are placed on the opportunities to participate in a program receiving Federal assistance?

A. The applicant agrees to make no distinction on the ground of race, color, or na-

tional origin in affording opportunities to individuals to participate (other than as employees) in any program receiving Federal financial assistance extended by the Department to the applicant, including opportunities to participate (a) as providers of any service, financial aid, or other benefit to individuals under the program (e.g., as physicians, surgeons, dentists, or other professional practitioners seeking the privilege of practicing in a federally aided hospital or other facility); (b) as conferees, observers, consultants, or advisers, or as members of advisory or planning groups; or (c) as volunteers (e.g., as voluntary workers, or as patients or other subjects of study or experimentation in research, survey, demonstration, or like programs).

6. Does that mean that an applicant who signs the Department's assurance may nevertheless make distinctions among his employees on the basis of race, color, or national origin?

A. Title VI of the Civil Rights Act does not concern itself with employment practices except where a primary objective of the Federal financial assistance is to provide employment. Thus, where a basic objective of the program is to provide employment, the applicant's employment practices are subject to the Department's regulation. However, even where this is not the case an applicant may be precluded from engaging in any discriminatory employment practices under the provisions of title VII of the Civil Rights Act, Executive Orders Nos. 10925 and 11114, and the merit system regulations.

7. When an applicant's employment practices are covered by the Department's regulation, what requirements must be met?

A. The applicant agrees to make no distinction on the ground of race, color, or national origin in its employment practices (including recruitment or recruitment advertising, hiring, layoff or termination, upgrading, demotion, or transfer, rates of pay or other forms of compensation, and use of facilities) with respect to individuals seeking employment or employed under any program receiving Federal financial assistance extended to the applicant by the Department, in those programs where a primary objective of the Federal financial assistance is to provide employment to such individuals. This includes programs under which the employment is provided—(a) as a means of extending financial assistance to students or to needy persons; (b) to students, fellows, interns, residents, or others in training for related employment (including research associates or assistants in training for research work); or (c) to reduce unemployment or to provide remunerative activity to individuals who because of severe handicaps cannot be readily absorbed in the competitive labor market.

8. What effect will the regulation have on a college or university's admission practices or other practices related to the treatment of students?

A. An institution of higher education which applies for any Federal financial assistance of any kind must agree that it will make no distinction on the ground of race, color, or national origin in the admission practices or any other practices of the institution relating to the treatment of students.

(a) "Student" includes any undergraduate, graduate, professional, or postgraduate student, fellow, intern, student, or other trainee receiving education or training from the institution.

(b) "Admission practices" include recruiting and promotional activities, application requirements, eligibility conditions, qualifications, preferences, or quotas used in selecting individuals for admission to the institution, or any program of the institution, as students.

(c) "Other practices relating to the treatment of students" include the affording to students of opportunities to participate in

any educational, research, cultural, athletic, recreational, social, or other program or activity; the performance evaluation, discipline, counseling of students; making available to students any housing, eating, health, or recreational service; affording work opportunities, or scholarship, loan or other financial assistance to students; and making available for the use of students any building, room, space, materials, equipment, or other facility or property.

9. Does the assurance of nondiscrimination apply to the entire operation of an institution?

A. Insofar as the assurance given by the applicant relates to the admission or other treatment of individuals as students, patients, or clients of an institution of higher education, a school, hospital, nursing home, center, or other institution owned or operated by the applicant, or to the opportunity to participate in the provision of services, financial aid, or other benefits to such individuals, the assurance applies to the entire institution. In the case of a public school system the assurance would be applicable to all of the elementary or secondary schools operated by the applicant.

10. What about a university which operates several campuses?

A. Section 80.4(d)(2) of the regulation provides for a more limited assurance only where an institution can demonstrate that the practices in part of its operation in no way affect its practice in the program for which it seeks Federal funds. This would be a rare case.

11. If an applicant intends to make use of other individuals to help carry out the federally assisted program, does the requirement not to discriminate apply to such subgrantee or contractor.

A. It does. The applicant must require any individual, organization, or other entity which it utilizes, to which it subgrants, or with which it contracts or otherwise arranges to provide services, financial aid, or other benefits under, or to assist it in the conduct of, any program receiving Federal financial assistance extended to the applicant by the Department, or with which it contracts or otherwise arranges for the use of any facility provided with the aid of Federal financial assistance for a purpose for which the Federal financial assistance was extended, to comply fully with title VI of the Civil Rights Act of 1964 and the regulation of the Department of Health, Education, and Welfare issued thereunder.

12. Must this assurance of nondiscrimination by the subgrantee, etc., be in writing?

A. In the case (1) of any contractual or other arrangement with another such individual or entity which will continue for an indefinite period or for a period of more than 3 months, (2) of any subgrant, or (3) of any conveyance, lease, or other transfer of any real property or structures thereon provided with the aid of Federal financial assistance extended to the applicant by the Department, the applicant shall obtain from such other person, subgrantee, or transferee, an agreement, in writing, enforceable by the applicant and by the United States, that such other individual or entity, subgrantee, or transferee will carry out its functions under such subgrant, or contractual or other arrangement, or will use the transferred property, as the case may be, in accordance with title VI of the act and the regulation will otherwise comply herewith.

13. What obligations does the applicant have to inform beneficiaries, participants, and others of the provisions of the regulation?

A. The applicant must make available to beneficiaries, participants, and other interested persons information regarding the provisions of the regulation and protections against discrimination provided under title

VI of the Civil Rights Act. The Department will issue shortly more detailed instructions on carrying out this phase of the regulation.

14. What obligations does the applicant have to keep records and to make them available to the Department?

A. From time to time, applicants may be required to submit reports to the Department, and the regulation provides that the facilities of the applicant and all records, books, accounts, and other sources of information pertinent to the applicant's compliance with the regulation be made available for inspection during normal business hours on request of an officer or employee of the Department specifically authorized to make such inspections. More detailed instructions in this regard will also be forthcoming from the Department in the near future.

15. Must separate assurance forms be filed with each application?

A. As a general rule once a valid assurance is given it will apply to any further application as long as there is no indication of a failure to comply.

Mr. MORSE. Mr. President, the Waggonner amendment has caused grave concern to many. I read the following telegram I have received as indicative of that concern:

PALO ALTO, CALIF.,
August 30, 1965.

HON. WAYNE MORSE,
Senate Office Building,
Washington, D.C.:

DEAR SENATOR MORSE: According to New York Times dispatch in the San Jose Mercury, the higher education bill as passed by the House includes an amendment by Representative JOE WAGGONNER, Louisiana Democrat, exempting college fraternities from title 6 of the Civil Rights Act of 1964.

The Mercury quotes Representative ADAM CLAYTON POWELL indirectly as saying he has no official concern with discrimination of private groups, especially when they receive no public funds; the facts are: (1) several colleges and universities now allocate Federal loan funds for student housing to construction of college owned fraternity facilities; (2) fraternities receive tangible and intangible benefits in varying degrees from the moment they are recognized by a college or a university; (3) this amendment would be the first real break in the type ban against discrimination on campus provided by the Health, Education, and Welfare regulations issued under title 6 with White House approval.

Passage of the Waggonner amendment would seriously undermine current efforts to end racial discrimination by fraternities through joint action of undergraduates and their universities. It is specifically designed to nullify the strong, straightforward stand taken by Education Commissioner Francis Keppel in response to the suspension of the Stanford chapter of Sigma Chi by its national fraternity, as described on pages 14906 and 14907 of the CONGRESSIONAL RECORD for July 1, 1965.

As a life member of Sigma Chi, I hope you and your fellow committee members will block passage of the Waggonner amendment and then kill it in conference with the House it would be the height of irony and shame for the Federal Government to condone racial discrimination in any form on college campuses when students, civil rights workers, and other citizens risk their lives every day for the cause of equality.

ROBERT W. BEYERS.

PORTOLA VALLEY, CALIF.

I have some other material which raises questions as to the danger of the proposed amendment that I ask unanimous consent to have printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EFFECT OF WAGGONNER AMENDMENT TO H.R. 9567 ON TITLE VI OF CIVIL RIGHTS ACT

On August 26, 1965, immediately before passage of H.R. 9567, the proposed Higher Education Act of 1965, Mr. WAGGONNER proposed an amendment to section 604 (sec. 704 in the bill as reported by the Committee on Education and Labor), which was accepted by Mr. POWELL, the committee chairman, and agreed to by the House. The section, as amended, reads as follows (new material in italics):

"SEC. 604. Nothing contained in this Act or any other Act shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution, or over the selection of library resources by any education institution; or the membership practices or internal operations of any fraternal organization, fraternity, or sorority, any private club or any religious organization of any institution of higher education."

Mr. WAGGONNER stated that the purpose of the amendment is to make clear that Congress did not intend the Civil Rights Act to be applied in such a manner as to interfere with the membership practices or internal operations of fraternal or social organizations or to authorize withholding of Federal assistance of any kind on such basis (111 CONGRESSIONAL RECORD, 21129).

The language of the amended section, however, appears to go far beyond Mr. WAGGONNER's announced intention. If nothing contained in any act of Congress shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution, which is what the amended language literally states, it can plausibly be argued that all educational institutions, from kindergartens to universities, are exempted from all Federal legislation and Executive orders of general applicability affecting their operations, such as, for example, those imposing wage-and-hours requirements and nondiscrimination in employment under Federal contracts.

Whatever may be said as to such other acts, the sponsor's remarks make it clear that the insertion of the words "or any other Act" was specifically intended to refer to title VI of the Civil Rights Act. If all of the amendment had followed the original section 704, so as to read: "Neither this Act nor any other Act shall be construed to authorize * * * any control over the membership practices or internal operations of any fraternal organization * * *," then only the sponsor's intention, as announced in the debate, would have been carried out. But the words "or any other Act" are inserted in the first line, so that the section reads, in effect:

"Nothing contained in this Act or the Civil Rights Act of 1964 shall be construed to authorize any department * * * to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution."

The plain language would seem to exempt all educational institutions as well as fraternities from title VI coverage.

Even with respect to fraternities, its ostensible object of protection, the Waggonner amendment seems based on a misapprehension. In accepting it, Chairman POWELL stated:

"I do not believe that there should be any withholding of funds from any institution

of higher education because of discriminatory practices on the campus by private clubs" (111 CONGRESSIONAL RECORD, 21130).

Discrimination by fraternities might constitute a violation of title VI of the Civil Rights Act requirements. This opinion is based on research showing, among other things, that at least half of all colleges with fraternities have a significant connection with fraternity housing, in many cases owning the fraternity buildings. In some cases Federal funds themselves have been used to build fraternity housing. In such instances the Waggoner amendment would authorize reinstatement of the separate-but-equal doctrine, by permitting universities to assign all dormitory space to fraternities with various racially restrictive admission policies.

Mr. MORSE. Mr. President, I call the attention of the Senator from Illinois [Mr. DIRKSEN] and the Senator from New York [Mr. JAVITS] to the fact that, although this bill passed in the House with the Waggoner amendment in it by an overwhelming majority, let us face it. A great many Members of the House did not know anything about the Waggoner amendment. We are all familiar with that in the legislative process. The amendment is in the bill and many Members are now waking up to the surprise that it is in there.

The Senator from Illinois implied—and I believe correctly so—that there may be some change in views in the House. Since the debate started, I received a note from a member of the House committee, who undoubtedly will be a conferee, and who is very much concerned about what we do in the Senate on this amendment.

I read a part of it without disclosing any identity:

Attached you will find the amendment offered by Mr. WAGGONER. We have been advised that several adjustments will have to be made in conference to bring the language in line with the intent of the amendment and the Civil Rights Act. We have been advised that the proponents of the amendment are willing to consider such suggestion.

It appears to me that if you do nothing, then it would be possible in conference to rewrite the amendment since it would be a more restrictive provision than in the present House bill, and thus between our version and any version offered by the Senate, we would be able to work out an acceptable provision. As I said to you last night, "If you have to have an amendment, don't take the Waggoner amendment."

It is very easy to give the chairman of the committee such gratuitous instructions. However, I want the Senate to know this afternoon, before we come to a decision, that I shall not conceal anything from the Senate. Some Senators have already received telegrams, and know of the agitation that this is already stirring up among civil rights groups in the country.

I shall put the telegram in the RECORD. I shall not keep it from any Senator or from the public.

This is from Clarence Mitchell, director of the Washington bureau of the National Association for the Advancement of Colored People.

It reads:

WASHINGTON, D.C.,
September 2, 1965.

HON. WAYNE MORSE,
U.S. Senate,
Washington, D.C.:

We urge that the Senate defeat the Waggoner amendment if it is offered to the higher education bill. This amendment was accepted by the House in what appears to be a complete misunderstanding of the build-in mischief it contains. We have received calls from important universities pointing out that under the Waggoner amendment it would be possible to use U.S. Government funds to build and operate racially segregated facilities on university-owned grounds at institutions that do not now and never have tolerated racial discrimination in any form. It appears that the real intention of its sponsor is to whittle down the effect of title VI of the 1964 Civil Rights Act. It is reported that the amendment will be offered in the Senate by Senator RUSSELL LONG of Louisiana. We hope it will be defeated whether offered by him or anyone else.

CLARENCE MITCHELL,
Director,
Washington Bureau, NAACP.

There has been some talk about the relationship of universities to fraternities and sororities. Each one to his own view. I would not want my statement to close this afternoon if I did not point out that I think there is a place for social fraternities and sororities on campus, but there is not a place for social fraternities and sororities on campuses based upon a public policy inconsistent with the Civil Rights Act.

That is my personal opinion. I want the RECORD to show that. I believe that fraternities and sororities do not have to comply with what is considered to be the policy set forth in the Civil Rights Act. However, I do not want to be a party to any amendment that would permit a single cent from Federal taxpayers' money to be spent in furthering a social fraternity or sorority that discriminates because of race, color, or creed. I believe that we are pretty much in agreement on that point in the Senate.

The former Attorney General of the United States and now a member of my subcommittee the junior Senator from New York [Mr. KENNEDY], on whom I have leaned very heavily throughout the discussion and consideration of this higher education bill, makes a suggestion that I would like to have considered. It is to the effect that, instead of the language proposed by way of an addendum by the Senator from North Carolina, this language be woven into the amendment:

And whose activities are not financed directly or indirectly by public funds.

Has the Senator from North Carolina had that called to his attention as a substitute for that part of the amendment which relates to private funds?

Mr. ERVIN. That is what the amendment does now.

Mr. MORSE. That is what the Senator from Rhode Island [Mr. PASTORE] and I have said. However, the reply of the junior Senator from New York is that if it means that, what objection would we have to putting it in the nega-

tive, rather than to refer to private funds?

Mr. ERVIN. That is what the amendment involved in the question, for instance, that, if I am drawing a salary from the Federal Government, and have a son in a fraternity, and pay his expenses or his fraternity dues out of the salary which I receive from the Federal Government, those funds may be covered because indirectly Federal funds were used.

Mr. MORSE. If the amendment means this, we ought to be willing to say it. If the activities are not financed directly or indirectly by public funds, we ought to say it.

Mr. ERVIN. Mr. President, I am a Senator. I draw Federal funds.

If my son has entered a college and joined a fraternity and I pay his fraternity dues, that fraternity would, indirectly, perhaps, be getting Federal funds.

Mr. MORSE. I think my friend, great jurist that he is, knows that would not follow at all. This language deals with funds being spent by the Federal Government in the facilities of a fraternal sorority or fraternity on a given campus.

I call attention to the fact that the Senator from New York [Mr. JAVITS], a Member of my committee—and I am going to oblige members of my committee—suggested a short quorum call for a quick conference on the matter. After that quorum call I will tell the Senate what I propose.

What I would like to see done first is have a record made. I would prefer to have the Senator withdraw his amendment. The issue will be in conference, anyway. We can modify the language in any way that we want and modify it in conference, and merely go to conference on the basis of the decision made at the committee level, and in that way not take action on the matter here but go to conference. I would prefer to have the Senator withdraw his amendment. This matter will be in conference.

Mr. DIRKSEN. Mr. President, the amendment will not be withdrawn. I do not think it needs further refinement. Frankly, I am prepared to vote.

Mr. MORSE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

~~AUTHORIZATION OF THE SECRETARY OF THE TREASURY TO BELIEVE APPLICANTS FROM CERTAIN PROVISIONS OF THE FEDERAL FIREARMS ACT~~

~~Mr. MANSFIELD. Mr. President, I ask unanimous consent that the pending business be laid aside for a minute or two, and that the Senate turn to the~~

not want to or need to exercise hegemony over Latin America.

Collective responsibility, collective decision, and collective action are the only sensible courses for the Americas. Only in this way can we recapture the pre-Santo Domingo spirit—and move on beyond Santo Domingo to a new and evermore satisfying level of cooperation and alliance, for dignity, self-determination, friendship, true progress, and peace.

Mr. CARLSON. Mr. President, I wish to associate myself with the remarks of the distinguished Senator from New York in regard to political instability that we have observed from time to time in Latin American countries as a result of military juntas and military dictatorships taking over democratic government.

The Senator from New York has made a timely suggestion. I wish to associate myself with him and sincerely hope that we can be of some assistance as we deal with the problems of Latin America. Those countries are our neighbors. They are countries in which we are greatly concerned.

I commend the Senator from New York on offering the resolution. I appreciate the opportunity of cosponsoring it.

Mr. JAVITS. I am honored to be associated with the Senator from Kansas. We hope that we may obtain early hearings on the resolution by the Committee on Foreign Relations.

I ask unanimous consent that the text of the resolution may be printed in the RECORD at this point.

The PRESIDING OFFICER. The concurrent resolution will be received and appropriately referred; and, without objection, the concurrent resolution will be printed in the RECORD.

The concurrent resolution (S. Con. Res. 56) was referred to the Committee on Foreign Relations, as follows:

CONCURRENT RESOLUTION

Whereas recent events in the Dominican Republic have suggested the desirability of strengthening the inter-American system to facilitate the taking of prompt and effective multilateral action when required to maintain the peace, security, and freedom of the Americas; and

Whereas a prime objective of the Organization of American States and of the United States is to strengthen freedom in the Americas by upholding the right of the people to self-determination and by encouraging confidence in and respect for constitutional and democratic governments, and to foster conditions to insure against subversion and infiltration by the forces of international communism or ultrarightist forces which pose a constant danger to the freedom of the people of the Americas; and

Whereas the Organization of American States and the United States are committed to accelerated economic development and social progress in the Americas, as the right road toward freedom, dignity, security, and peace for all the people of the Americas, and to prevent infiltration or subversion by Communist or ultra-rightist forces: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that—

1. The United States again pledges its faith in the oldest of the regional security systems established in accordance with the United Nations Charter, the collective secu-

rity system of the Americas under the Inter-American Treaty of Reciprocal Assistance and the Charter of the Organization of American States, and again pledges its efforts to preserve and strengthen free democratic institutions and to encourage and contribute to accelerated economic development and social progress in the Americas, as set forth in the Act of Bogotá of 1960 and the Charter of Punta del Este of 1961.

2. The United States, while continuing to reserve the inherent right of self-defense, consonant with its treaty obligations under the inter-American system and the United Nations Charter, joins in the determination of the member states of the Organization of American States to maintain a common defense against aggression and subversion within the Americas, including efforts to subvert free institutions by infiltration and other forms of interference in the internal affairs of any nation in the Americas.

3. The United States should seek to improve the authority and capability of the Organization of American States to take timely action in emergencies affecting the peace and security of any nation in the Americas in accordance with the requirements of a common defense set forth in the preceding paragraph of this Resolution by standing ready to support and assist in the establishment of means to undertake peacekeeping efforts under the auspices of the Organization of American States, and by such other procedures as the President may deem appropriate, consonant with the Constitution, the inter-American system, and the United Nations Charter.

4. The United States should encourage and support collective consultation among the members of the inter-American system and with Canada with a view to refraining from the establishment of diplomatic relations with, and denying military and economic aid to, any regime brought into power in a member state by the unconstitutional overthrow of a freely-elected, constitutional, democratic government ruling in accordance with its constitutional mandate, and to requiring, as a precondition to the establishment of diplomatic relations and the extension of military and economic aid, prior commitments for the restoration of constitutional government, for the holding of free elections, and for the application of human and civil rights and liberties, within a reasonable time, and a sincere dedication to accelerated economic development and social progress within the framework of personal dignity and political liberty; and should encourage and support other common efforts to strengthen constitutional, democratic, and progressive government in the Americas.

5. The United States should continue its active support of the Alliance for Progress with emphasis on self-help and mutual cooperation; economic integration of the Americas through common markets, free trade areas, or other appropriate means; the encouragement of other developed nations to maintain an appropriate level of development aid in the Americas; and the encouragement of the growth of the private enterprise system and of conditions to enhance its capability for accelerating economic development and social progress in the Americas.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, notified the Senate that, pursuant to the provisions of section 3, Senate Concurrent Resolution 36, 89th Congress, the Speaker had appointed Mr. FASCELL, of Florida; Mr. FRASER, of Minnesota; Mr. RESNICK, of New York; Mr.

LIPSCOMB, of California; Mr. QUIE, of Minnesota; and Mr. MARTIN of Alabama as members of the congressional delegation to participate in the White House Conference on International Cooperation, on the part of the House.

The message also notified the Senate that, pursuant to the provisions of section 1, Public Law 689, 84th Congress, the Speaker had appointed Mr. HAYS, of Ohio; Mr. RODINO, of New Jersey; Mr. DENTON, of Indiana; Mr. RIVERS of South Carolina; Mr. CLARK, of Pennsylvania; Mr. ARENDS, of Illinois; Mr. CHAMBERLAIN, of Michigan; Mr. BATES, of Massachusetts; and Mr. FINDLEY, of Illinois, as members of the U.S. group of the North Atlantic Treaty Parliamentary Conference on the part of the House.

The message announced that the House had agreed to the amendment of the Senate numbered 1 to the bill (H.R. 948) to amend part II of the District of Columbia Code relating to divorce, legal separation, and annulment of marriage in the District of Columbia, and that the House had disagreed to the amendments of the Senate numbered 2 and 3 to the bill.

The message also announced that the House had passed the bill (S. 949) to promote commerce and encourage economic growth by supporting State and regional centers to place the findings of science usefully in the hands of American enterprise, with amendments, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H.R. 1044. An act to authorize the Secretary of the Navy to convey to the city of Norfolk, State of Virginia, certain lands in the city of Norfolk, State of Virginia, in exchange for certain other lands; and

H.R. 10342. An act to authorize the Honorable Frances P. Bolton, of Ohio, a Member of the House of Representatives, to accept the award of Officer in the French National Order of the Legion of Honor.

HIGHER EDUCATION ACT OF 1965

The Senate resumed the consideration of the bill (H.R. 9567) to strengthen the educational resources of our colleges and universities and to provide financial assistance for students in postsecondary and higher education.

Mr. MANSFIELD. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is the amendment offered by the Senator from Illinois, as modified.

Mr. MORSE. Mr. President, may we have the amendment read?

The PRESIDING OFFICER. The amendment will be read.

The LEGISLATIVE CLERK. On page 212, line 15, insert "or any other Act" after the word "Act."

On page 212, line 21, immediately before the period insert a semicolon and the following:

or the membership practices or internal operations of any fraternal organization, any

fraternity or sorority, any private club or any religious organization at any institution of higher education, whose facilities are not owned by the institution of higher education and whose activities are financed by funds derived from private sources.

Mr. MORSE. Mr. President, I ask the minority leader to follow me, if he will, while I direct two or three parliamentary inquiries to the Chair. I desire to have the RECORD show beyond a question of doubt what the Senate is doing parliamentarily.

My first question is, If the Dirksen amendment, as modified by the suggestion of the Senator from North Carolina [Mr. ERVIN] is substituted—a modification accepted by the Senator from Illinois—will we in fact be replacing the Waggoner amendment in the House bill, as it came to us, with a new amendment in the nature of a substitute?

The PRESIDING OFFICER. The Chair could not properly state what the amendment would do, in comparison with what another amendment would do, but as previously stated, if the question is asked as to a conference, if the amendment were adopted, this whole matter would be in conference.

Mr. JAVITS. May I ask the Senator whether he is submitting an amendment in the nature of a substitute for the committee substitute? That is, insofar as it affects the language of the committee bill as reported, is it an amendment in the nature of a substitute?

Mr. DIRKSEN. That can hardly be said, Mr. President, because section 604, dealing with direct supervision and control of school curriculums, was retained, by the Senate committee, and this is nothing more than an amendment to that section of the bill. I doubt very much whether it can be properly characterized as a substitute.

If I had stricken out everything in section 604, and then replaced it with my language and the earlier language, it might then be readily called a substitute.

Mr. JAVITS. Will the Senator do that? The Senator is perfectly at liberty to replace the whole of section 604 with the same section as amended by him.

Mr. DIRKSEN. But I am advised by the Parliamentarian that the amendment as amended now pending, if adopted, would place the matter in conference.

The PRESIDING OFFICER. The Chair may state further, in response to the parliamentary inquiry of the Senator from Oregon, that if the amendment of the Senator from Illinois is adopted to the committee substitute for H.R. 9567, and then the committee substitute is adopted, and that goes to conference, the entire matter will be in conference; the only limitation on the conferees being that any matter adopted or agreed to in conference would have to be germane either to the House-passed version or the Senate-passed version of the bill.

Mr. JAVITS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JAVITS. That applies only to the Senate rules; it does not bind the House.

The PRESIDING OFFICER. That is correct.

Mr. JAVITS. Now I ask the Senator from Illinois whether he will submit an amendment including the language which is contained in section 804 as a complete substitute for the committee amendment, or an amendment in the nature of a substitute. Is that not a proper parliamentary move for the Senator from Illinois?

The PRESIDING OFFICER. I do not believe the Chair would be able to answer that inquiry unless the Senator were to restate it.

Mr. JAVITS. It is at page 212, lines 15 to 21, inclusive.

The PRESIDING OFFICER. The Senator will restate the inquiry.

Mr. JAVITS. I ask whether it is possible, as a parliamentary matter, for the Senator from Illinois to submit his amendment by repeating the language now contained in section 804, adding what he proposes to add to it, as an amendment in the nature of a substitute?

The PRESIDING OFFICER. Does the Senator mean for section 804?

Mr. JAVITS. Exactly.

The PRESIDING OFFICER. Section 804 is in the committee amendment in the nature of a substitute for the bill which is now before the Senate. It could be offered in the nature of a motion to strike out section 804 and substitute new language therefor.

Mr. JAVITS. Exactly. The Senator from Illinois is at liberty to do that, is he not?

The PRESIDING OFFICER. The Chair assumes so.

Mr. DIRKSEN. Yes, Mr. President; but a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DIRKSEN. I address it to the Parliamentarian. I do not know that it would improve the matter, conference-wise, from where we stand.

The PRESIDING OFFICER. That is exactly correct. As the Chair stated, this entire bill will be in conference.

Mr. DIRKSEN. Exactly. There is no purpose in striking out section 804, replacing two-thirds of the same language, and reoffering the amendment as modified.

Mr. MORSE. If the Senator will permit me to state, the Senator from Montana, the majority leader [Mr. MANSFIELD] and I went to the telephone and called Mr. Deschler, the Parliamentarian of the House. I explained to Mr. Deschler the parliamentary situation that confronts us in the Senate. I told him about the amendment of the Senator from Illinois [Mr. DIRKSEN], and the modification of it suggested by the Senator from North Carolina [Mr. ERVIN], and the acceptance of the modification by the Senator from Illinois; and I asked him if in his opinion the whole matter would be in conference.

His first response was that the whole matter would be in conference. But then—and I quote him to the best of my recollection; I do not bind him but bind myself to my recollection—the majority

leader can either verify or modify what I now say.

He said that it would be better, so far as any doubt was concerned about it all being in conference, if the Senate struck the Waggoner language and substituted the Dirksen language as modified by the Ervin language.

I again said, "But if the Dirksen language as modified by the Ervin language were put in the bill, would the entire matter be in conference?"

He said he thought the issue would be in conference, and he said the conference would then be limited to a narrowing of the Ervin language.

I said, "Does that mean that then the Waggoner language would be considered to be locked into the bill?" And he left with me the impression that he thought it would be.

Mr. MANSFIELD. That is approximately my recollection.

Mr. MORSE. That leaves me very much perplexed. We do not control the rules of the House; and when we get a ruling here from the Chair that it would be in conference under the rules of the Senate, I do not find that satisfactory. I need to know whether or not it would be in conference under the rules of both Houses.

Mr. TOWER. Will the Senator yield?

Mr. MORSE. Because we are in conference now. I do not like to run any risks, to be frank with the Senate; we are in conference now. If we do not do anything we are in complete conference, and we can modify the Waggoner language in conference by adopting the Dirksen-Ervin language in conference. We do not pass anything in the Senate, and as I remember, I said a few moments ago, I wish we would not take any action on this at all in the Senate, because we are now in conference, and I say to the Senator from Illinois and the Senator from North Carolina that so far as the chairman of the subcommittee is concerned, I would see to it that their language was suggested in conference.

The PRESIDING OFFICER. The Chair will respond again by saying to the Senator from Oregon that the question now before the Senate is the Dirksen amendment, as modified, to the committee amendment in the nature of a complete substitute. So if a committee amendment in the nature of a substitute were adopted, it would, in effect, strike all the present House language from the bill.

Mr. DIRKSEN. Exactly.

The PRESIDING OFFICER. So the effect would be to put all of the bill in conference, the only restriction being that amendments agreed to by the conferees be germane either to the House-passed bill or to the Senate-passed bill.

Mr. MORSE. That is what I believe, and that has been my position. But I am somewhat concerned as to whether or not the House rules could in any way cause us to wake up and discover that all we have got in conference is the language offered by the Senator from North Carolina.

Mr. MANSFIELD. If the Senator will yield, I would say he has his answers to the questions which were on his mind.

Mr. MORSE. I am satisfied if the Senator from New York is satisfied.

Mr. JAVITS. The Senator from New York is now satisfied that if the Dirksen amendment to the committee amendment is adopted as modified, notwithstanding the unanimous consent by which the Senate accepted the committee amendment in its original text, the whole provision would be a substitute for the House provision.

Mr. MORSE. Mr. President, does the Chair make the ruling that the whole provision will be a substitute for the House provision?

The VICE PRESIDENT. The Senator is correct.

Mr. MORSE. Mr. President, on the basis of that ruling and understanding of the legislative record, and as chairman of the subcommittee and Senator in charge of the bill, I am willing to accept and take to conference the Dirksen amendment, as modified.

Mr. HART. Mr. President, I share the concerns and reservations voiced by the able Senator in charge of the bill, the Senator from Oregon [Mr. MORSE]. Public money—money required to be paid by all our citizens—should not be used to finance directly or indirectly, any activity which denies participation to some of our citizens because of race, religion, or national origin. The amendment added by the House would violate this principle, and I am sure that the amendment was accepted without a full understanding of its consequences. I would defend with equal force the right of persons privately to associate for any social purpose, the financing of which they bear. With the Senator from Oregon and others I wish to be sure that when the bill comes back to us from conference both principles will remain secure.

Title VI of the 1964 Civil Rights Act must not be diluted. It established after too many years of hauling and tugging the first principle—use of the public's money only for things in which all of the public are permitted equally to share. The House amendment would dilute this principle. But, in correcting this situation let us not attempt to assert independent Federal limitations on private, independent associations, financed completely from private sources.

Mr. HOLLAND. Mr. President, I hope there will be a yea and nay vote on the amendment, which will uphold the hands of the conferees in knowing that the Senate has gone on record as being in favor of the Dirksen amendment as modified.

Mr. MORSE. I have no objection.

Mr. HOLLAND. Mr. President, I suggest the absence of a quorum.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the yeas and nays be taken on the Dirksen amendment as modified, and that there be a suggestion of the absence of a quorum, and that the vote take place 1 minute from now.

The VICE PRESIDENT. Is there objection to the request of the Senator from Montana?

Mr. CARLSON. Mr. President, reserving the right to object, I would hope that we would not need to have a vote on the amendment, but that we would take it through the regular procedure.

Mr. MANSFIELD. It will be done properly.

The VICE PRESIDENT. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

Is there a sufficient second to the demand for the yeas and nays?

The yeas and nays were ordered.

Mr. MANSFIELD. Mr. President, I suggested the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MORSE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

The question is on agreeing to the amendment, as modified, of the Senator from Illinois [Mr. DIRKSEN].

On this question the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. LONG of Louisiana. I announce that the Senator from Idaho [Mr. CHURCH], the Senator from Tennessee [Mr. GORE], the Senator from Ohio [Mr. LAUSCHE], the Senator from Wyoming [Mr. McGEE], and the Senator from Florida [Mr. SMATHERS] are absent on official business.

I also announce that the Senator from Virginia [Mr. BYRD], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Minnesota [Mr. MCCARTHY], and the Senator from Maryland [Mr. TYDINGS] are necessarily absent.

I further announce that, if present and voting, the Senator from Idaho [Mr. CHURCH], the Senator from Tennessee [Mr. GORE], the Senator from Wyoming [Mr. McGEE], and the Senator from Florida [Mr. SMATHERS] would each vote "yea."

On this vote, the Senator from Virginia [Mr. BYRD] is paired with the Senator from Maryland [Mr. TYDINGS]. If present and voting, the Senator from Virginia would vote "yea," and the Senator from Maryland would vote "nay."

Mr. KUCHEL. I announce that the Senator from Delaware [Mr. BOGGS], the Senator from Iowa [Mr. HICKENLOOPER], and the Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent.

If present and voting, the Senator from Delaware [Mr. BOGGS] would vote "yea."

The result was announced—yeas 60, nays 28, as follows:

[No. 248 Leg.]

YEAS—60

Aiken	Bible	Cotton
Allott	Burdick	Curtis
Anderson	Byrd, W. Va.	Dirksen
Bartlett	Cannon	Dominick
Bass	Carlson	Eastland
Bayh	Clark	Ellender
Bennett	Cooper	Ervin

Fannin
Fong
Harris
Hayden
Hill
Holland
Hruska
Jordan, N.C.
Jordan, Idaho
Kuchel
Long, Mo.
Long, La.
Mansfield

McClellan
McIntyre
Miller
Monroney
Morse
Morton
Moss
Mundt
Murphy
Pearson
Prouty
Robertson
Russell, S.C.

Russell, Ga.
Scott
Simpson
Smith
Sparkman
Stennis
Symington
Talmadge
Thurmond
Tower
Williams, Del.
Yarborough
Young, N. Dak.

NAYS—28

Brewster
Case
Dodd
Douglas
Gruening
Hart
Hartke
Inouye
Jackson
Javits

Kennedy, Mass.
Kennedy, N.Y.
Magnuson
McGovern
McNamara
Metcalf
Mondale
Montoya
Muskie
Nelson

NOT VOTING—12

Boggs
Byrd, Va.
Church
Fulbright

Gore
Hickenlooper
Lausche
McCarthy

McGee
Saltonstall
Smathers
Tydings

So Mr. DIRKSEN's amendment, as modified, was agreed to.

Mr. DIRKSEN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. ERVIN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 430

Mr. MILLER. Mr. President, I send to the desk my amendment, No. 430, and ask that it be stated.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. The Senator from Iowa [Mr. MILLER] proposes amendment No. 430—

Mr. MILLER. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with, and that the amendment be printed in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The amendment ordered to be printed in the RECORD is to strike from said bill all of the provisions of title IV, part A, "Undergraduate Scholarships," and by inserting a new title IV, part A, as follows:

TITLE IV—STUDENT ASSISTANCE

Part A—Student loans

Statement of Purpose and Appropriations Authorized

SEC. 401. (a) It is the purpose of this part to provide, through institutions of higher education, loans to assist in making available the benefits of higher education to qualified high school graduates from lower and middle income families, who for lack of financial means of their own or of their families would be unable to obtain such benefits without such aid. It is further the purpose of the Congress to encourage such institutions to use work-study and other loan programs and any other means of student aid available to them to combine with or supplement loans under this part, as may be appropriate in any case.

(b) There are hereby authorized to be appropriated \$250,000,000 for the fiscal year ending June 30, 1966, \$260,000,000 for the fiscal year ending June 30, 1967, \$265,000,000 each for the fiscal year ending June 30, 1968, for the fiscal year ending June 30, 1969, and

for the fiscal year ending June 30, 1970, to enable the Commissioner to make payments to institutions of higher education that have agreements with him entered into under section 407, for use by such institutions (1) for payments to students for the initial academic year of loans awarded to them under this part and (2) for defraying (within the limits specified in section 407(b)) eligible costs of administration, by such institutions, of the cooperative motivational program for high school students described in section 407(a)(5). There are further authorized to be appropriated, for the fiscal year ending June 30, 1967, and each of the six succeeding fiscal years, such sums as may be necessary for payment to such institutions for use by them for making loan payments under this part to students for academic years other than the initial year of their loan. Sums appropriated pursuant to this subsection for any fiscal year shall be available for payment to institutions until the close of the fiscal year succeeding the fiscal year for which they were appropriated. For the purposes of this subsection, payment for the first year of a loan shall not be considered as an initial-year payment if the loan was awarded for the continuing education of a student who had been previously awarded a loan under this part (whether by another institution or otherwise) and had received payment for any year of that loan.

Amount of Loan—Annual Determination

SEC. 402. From the funds received by it for such purposes under this part, an institution of higher education which awards a loan to a student under this part shall, for the duration of the loan, pay to that student for each academic year during which he is in need of a loan to pursue a course of study at the institution, such amount as is determined by the institution to be necessary for tuition, books, room and board, for such student with respect to that year, which amount shall not exceed \$1,500 or, if less, the amount deemed by the institution to be required by such student for tuition, books, room and board. In the case of any graduate or professional student (as defined in regulations of the Commissioner), said amount shall not exceed \$2,500. The Commissioner shall, subject to the foregoing limitations, prescribe for the guidance of participating institutions basic criteria or schedules (or both) for the determination of the amount of any such loan, taking into account the objective of limiting loan aid under this part to students from lower and middle income families and such other factors including the number of dependents in the family, as the Commissioner may deem relevant.

Duration of Loan

SEC. 403. The duration of a loan awarded under this part shall be the period required for completion by the recipient of his course of study at the institution of higher education from which he received the loan, except that such period shall not exceed four academic years (six years in the case of a part-time student) during which the student is a candidate for an undergraduate degree nor more than three academic years during which the student is a candidate for a recognized graduate degree, less any such period with respect to which the recipient has previously received payments under this part pursuant to a prior loan (whether made by the same or another institution). A loan under this part shall entitle the recipient to payments only if he (1) is maintaining satisfactory progress in the course of study which he is pursuing, according to the regularly prescribed standards and practices of the institution from which he received the award, and, except in the case of a part-time student, (2) is devoting essentially full time to that course of study, during the academic year, in attendance at that institution. Failure to be in attendance at the institution

during vacation periods or periods of military service, or during other periods during which the Commissioner determines in accordance with regulations that there is good cause for his nonattendance (during which periods he shall receive no payments), shall not be deemed contrary to clause (2).

Selection of Recipients of Loans

SEC. 404. (a) An individual shall be eligible for a loan under this part at any institution of higher education which has made an agreement with the Commissioner pursuant to section 407 (which institution is hereinafter in this part referred to as an "eligible institution"), if the individual (1) is from a lower or middle income family (as determined in accordance with the criteria or schedules prescribed pursuant to section 402), and (2) makes application at the time and in the manner prescribed by that institution.

(b) From among those eligible for loans from an institution of higher education for each fiscal year, the institution shall, in accordance with the provisions of its agreement with the Commissioner under section 407 and within the amount allocated to the institution for that purpose for that year under section 406, select upon criteria established by the institution, which shall include relative academic ability, individuals who are to be awarded such loans and determine, pursuant to section 402, the amounts to be paid to them. An institution shall not award a loan to an individual unless it determines that—

(1) he is in need of the loan to pursue a course of study at such institution;

(2) he is capable, in the opinion of the institution, of maintaining good standing in such course of study; and

(3) he has been accepted for enrollment for at least one-half the normal full-time academic workload at such institution or, in the case of a student already attending such institution, is in good standing and in full-time attendance.

Apportionment of Loan Funds Among States

SEC. 405. (a) (1) From the sums appropriated pursuant to the first sentence of section 401(b) for any fiscal year, the Commissioner shall apportion an amount equal to not more than 2 per centum of such sums among Puerto Rico, Guam, American Samoa, and the Virgin Islands according to their respective needs for assistance under this part. The remainder of the sums so appropriated shall be apportioned among the States as provided in paragraph (2).

(2) Of the sums being apportioned under this subsection—

(A) one-third shall be apportioned by the Commissioner among the States so that the apportionment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of persons enrolled on a full-time basis in institutions of higher education in such State bears to the total number of persons enrolled on a full-time basis in institutions of higher education in all the States,

(B) one-third shall be apportioned by the Commissioner among the States so that the apportionment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of secondary-school graduates of such State bears to the total number of such secondary-school graduates of all the States, and

(C) one-third shall be allotted by him among the States so that the apportionment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of related children under eighteen years of age living in families with annual incomes of less than \$3,000 in such State bears to the number of related children under eighteen years of age living in families with annual incomes of less than \$3,000 in all the States.

(3) For purposes of paragraphs (1) and (2) of this subsection—

(A) the term "State" does not include Puerto Rico, Guam, American Samoa, and the Virgin Islands,

(B) the term "secondary school graduate" means a person who has received formal recognition (by diploma, certificate, or similar means) from an approved school for successful completion of four years of education beyond the first eight years of schoolwork, and

(C) the number of persons enrolled on a full-time basis in institutions of higher education and the number of secondary school graduates shall each be determined by the Commissioner on the basis of the most recent satisfactory data available from the Department of Health, Education, and Welfare, and the number of related children under eighteen years of age living in families with annual incomes of less than \$3,000 shall be determined by the Commissioner on the basis of the most recent satisfactory data available from the Department of Commerce.

(4) If the total of the sums determined by the Commissioner to be required under section 406 for any fiscal year for eligible institutions in a State is less than the amount of the apportionment to that State under paragraph (1) or (2) for that year, the Commissioner may reapportion the remaining amount from time to time, on such date or dates as he may fix, to other States in such manner as he determines will best assist in achieving the purposes of this part.

(b) Sums appropriated pursuant to the second sentence of section 401(b) for any fiscal year shall be apportioned or reapportioned among the States in such manner as the Commissioner determines to be necessary to carry out the purposes for which such sums are appropriated.

Allocation of Apportioned Funds to Institutions

SEC. 406. (a) (1) The Commissioner shall from time to time set dates by which eligible institutions in any State must file applications for allocation, to such institutions, of student loan funds from the apportionment to that State (and of any reapportionment thereto) for any fiscal year pursuant to section 405(a), to be used for the purposes specified in the first sentence of section 401(b). Such allocations shall be made in accordance with equitable criteria which the Commissioner shall establish and which shall be designed to achieve such distribution of such funds among eligible institutions within a State as will most effectively carry out the purposes of this part.

(2) The Commissioner shall further, in accordance with regulations, allot to eligible institutions, in any State, from funds apportioned or reapportioned pursuant to section 405(b), funds to be used for the loan payments specified in the second sentence of section 401(b).

(3) Payments shall be made from allotments under this section to institutions as needed.

Agreements With Institutions—Conditions

SEC. 407. (a) An institution of higher education which desires to obtain funds for loans under this part, shall enter into an agreement with the Commissioner. Such agreement shall in part—

(1) provide that funds received by the institution under this part will be used by it only for the purposes specified in, and in accordance with, the provisions of this part;

(2) provide that in determining whether an individual is an eligible student from a lower or middle income family the institution will (A) consider the source of such individual's income and that of any individual or individuals upon whom the student relies primarily for support, and (B) make an appropriate review of the assets of the student and of such individuals;

(3) provide that in the selection of first-time applicants to receive loans under this part preference shall be given to (A) students who are beginning their first year of undergraduate study, and (B) students who are transferring from an institution of higher education which customarily offers only a two-year program of study to an institution which offers four or more years of higher education;

(4) provide that the institution will, where appropriate, combine financial assistance in the form of loans under a State or private plan, work-study opportunities under part C of title I of the Economic Opportunity Act of 1964 (as amended by part C of this title) or as may be offered otherwise, and loans under this part, in an effort to meet the financial needs of students from lower or middle income families;

(5) provide that the institution, in cooperation with other institutions of higher education where appropriate, will make vigorous efforts to identify qualified youths from low-income families and to encourage them to continue their education beyond secondary school through programs and activities such as—

(A) establishing or strengthening close working relationships with secondary school principals and guidance and counseling personnel with a view toward motivating students to complete secondary school and pursue post secondary school educational opportunities; and

(B) making, to the extent feasible, tentative commitments for loans to qualified students enrolled in grade 11 and lower grades or to secondary school dropouts who have a demonstrated aptitude for college study;

(6) provide assurance that the institution will continue to spend in its own scholarship and student-aid program, from sources other than funds received under this part, not less than the average expenditure per year made for that purpose during the most recent period of three fiscal years preceding the effective date of the agreement, but not including sums expended and attributable to Federal funds under title II of the National Defense Education Act of 1958, as amended.

(7) include provisions designed to make loans under this part reasonably available (to the extent of available funds) to all eligible students in the institution in need thereof; and

(8) include such other provisions as may be necessary to protect the financial interest of the United States and promote the purposes of this part.

(b) An institution may spend up to 5 per centum of the funds paid to it for any fiscal year ending prior to July 1, 1970, for the administration of the program described in paragraph (b) of subsection (a).

Repayment of Loans

SEC. 408. (a) Loans made pursuant to this part shall be evidenced by a note or other written agreement which provides for repayment of the principal amount in annual installments, with a right in the borrower to make repayments upon such terms as the Secretary of the Treasury may prescribe. Said annual installments are to be made at the time the borrower files his annual Federal income tax return but no later than April 15 of each year, and over a period of ten years commencing on the first annual income tax filing date after the date on which the borrower ceases to pursue at least one-half the full-time academic course of study at an institution of higher education. The annual installment shall be paid as a part of the income tax due and shall be reported upon such forms and in accordance with such regulations as shall be promulgated by the Secretary of the Treasury. The amount of the annual installment shall be 25 per centum of the higher education investment profit which shall be computed as the excess of the borrower's income from wages, salaries,

profits, commissions, and the net income from a business or profession over the average income from said items of high school graduates without higher education for the most recent year for which statistics are available. If the full loan is not repaid by the end of the tenth annual installment, the full balance remaining shall then be fully due and payable and any amounts not then paid shall draw interest at 5 per centum per annum and shall be a Federal lien against the borrower's property not dischargeable in bankruptcy.

(b) Annual installments as above provided need not be paid during any period (i) during which the borrower is pursuing a full-time course of study at an institution of higher education or at a compatible institution outside the States approved for this purpose by the Commissioner, (ii) not in excess of three years during which the borrower is a member of the Armed Forces of the United States on active duty, or (iii) not in excess of three years during which the borrower is in service as a volunteer under the Peace Corps Act: *Provided*, That any such periods shall not be included in determining the ten-year period during which the repayment must be completed.

(c) Not to exceed 50 per centum of any such loan shall be canceled for service as a full-time teacher in a public or other non-profit elementary or secondary school in a State, in an institution of higher education, or in an elementary or secondary school overseas of the Armed Forces of the United States, at the rate of 10 per centum of the amount of such loan which was unpaid on the first day of such service for each complete academic year of such service, except that (A) such rate shall be 15 per centum for each complete academic year or its equivalent (as determined under regulations of the Commissioner) of service as a full-time teacher in a public or other nonprofit elementary or secondary school which is in the school district of a local educational agency which is eligible in such year for assistance pursuant to title II of Public Law 874, Eighty-first Congress, as amended, and which for purposes of this clause and for that year has been determined by the Commissioner, pursuant to regulations and after consultation with the State educational agency of the State in which the school is located, to be a school in which there is a high concentration of students from low-income families, except that the Commissioner shall not make such determination with respect to more than 25 per centum of the total of the public and other nonprofit elementary and secondary schools in any one State for any one year, and (B) for the purposes of any cancellation pursuant to clause (A), an additional 50 per centum of any such loan (plus interest) may be canceled".

(d) The liability to repay any remaining amount shall be canceled upon the death of the borrower, or if he becomes permanently and totally disabled as determined in accordance with regulations of the Commissioner.

Contracts To Encourage Full Utilization of Educational Talent

SEC. 409. (a) To assist in achieving the purposes of this title the Commissioner is authorized (without regard to section 3709 of the Revised Statutes (41 U.S.C. 5)), to enter into contracts, not to exceed \$100,000 per year, with State and local educational agencies and other public or nonprofit organizations and institutions for the purpose of—

(1) identifying qualified youths from lower and middle income families and encouraging them to complete secondary school and undertake postsecondary educational training.

(2) publicizing existing forms of student financial aid, including aid furnished under this part, and

(3) encouraging secondary-school dropouts of demonstrated aptitude to reenter educational programs, including postsecondary programs.

(b) There are hereby authorized to be appropriated such sums as may be necessary to carry out this section.

Definition of "Academic Year"

SEC. 410. As used in this part, the term "academic year" means an academic year or its equivalent as defined in regulations of the Commissioner.

Repeal of Title II of the National Defense Education Act

SEC. 411. Title II of the National Defense Education Act of 1958, as amended, is hereby repealed.

And to strike sections 462 through 466 of the bill.

UNANIMOUS-CONSENT REQUEST

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be a time limitation of 25 minutes on the pending amendment, 20 minutes to be under the control of the distinguished Senator from Iowa [Mr. MILLER], and 5 minutes to be under the control of the Senator in charge of the bill, the distinguished senior Senator from Oregon [Mr. MORSE].

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. MILLER. Mr. President, I yield to the Senator from Texas.

The VICE PRESIDENT. The Senator from Texas is recognized.

Mr. TOWER. Mr. President, it is particularly interesting to note the growth of the American college population. From 1954 to 1964, the number of our college and university students increased from approximately 2.4 million to approximately 4.8 million. Thus we have an increase of 100 percent in just 10 years. It is now apparent that this tremendously accelerated growth will continue into the next decade as well. Expert analysis indicates we will have an enrollment of some 6.9 million students in 1970 and some 8 million in 1973.

It is also interesting to note the increased number of colleges and universities, from 866 in World War II to about 2,300 today.

This accelerated increase has, of course, created certain difficulties and problems. Institutions have become overcrowded, there has been a dire need for additional qualified teachers, and a need for more adequate library facilities.

The purpose of the higher education act is to help with these problems. It is my opinion however, that the Federal Government, and the Federal Government alone, cannot solve these problems. We must exercise extreme caution lest we deter individual initiative and responsibility.

Mr. President, I am, of course, particularly pleased that the committee has incorporated into the higher education bill the text of S. 2026, to increase the utilization of Federal funds by community colleges, which I proposed in May of this year.

However, I wish to make clear that I regard the Federal Government's participation in support of education to be more than that of a junior partner, whose senior partner is local and State govern-

ment. I wish to make it clear that I regard the preservation of local control to be of primary importance. In my opinion, this bill in most respects, does just this.

Education, it is true, must be available to all our citizenry. But to the meaningful and fruitful, such education must always take cognizance of the lasting worth and value of the individual. We must always be on guard against our educational systems and institutions being administered and controlled from afar, administered and controlled by bureaucracy, who feels it and not local people, must guide our educational system.

Since coming to the Senate, I have, of course, championed this cause of local control of education. I have always felt that our local school boards, and our State education agencies are far better able to direct the progress of our education than are those far removed from our children, our problems and our needs and desires.

I am proud of the manner through which my State has met the education needs of our citizenry. There is hardly a single Texas community which in this last year, that has not supported an educational bond issue, or constructed new facilities, or hired additional teachers, or in some other way demonstrated their desire to improve their educational program. In the field of higher education, with which we are concerned today, the State of Texas and its college communities have a fine record indeed.

College attendance, as we have noted here today will increase substantially over last year. The increased need must be met, and that is what we are doing today. Local, State and Federal must spend, but spend judiciously what is necessary to assure educational opportunities to all of our children. I feel confident that local, State and Federal governments can and will constructively carry forth in the field of education.

Mr. President, while I will vote for this bill today, I hope interest in the tax credit approach to provide assistance for education will continue to receive serious consideration.

As a former college professor, I have for years supported the granting of an income tax credit for education expenses on all levels—college, high school, and elementary. Such approach, I believe, would offer us the opportunity to effectively provide vastly increased funds for education.

Mr. President, I ask unanimous consent that tax credit legislation I have previously introduced, along with accompanying remarks, be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

At the proper place in the bill add the following new section:

"SEC. —. DEDUCTION FOR EXPENSES INCURRED IN PROVIDING HIGHER EDUCATION.

"(a) IN GENERAL.—Part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to additional itemized deductions for individuals) is amended by renumbering the section designated as section 219 by section 213 of this Act as section

220, and by inserting after section 218 (added by section 213 of this Act) the following new section:

"SEC. 219. EXPENSES FOR HIGHER EDUCATION.

"(a) ALLOWANCE OF DEDUCTION.—In the case of an individual, there shall be allowed as a deduction the expenses for higher education paid by the taxpayer during the taxable year which are incurred by him, by his spouse, or by a dependent (as defined in section 152(a)).

"(b) DEFINITIONS.—For purposes of this section—

"(1) EXPENSES FOR HIGHER EDUCATION.—The term "expenses for higher education" means amounts paid for—

"(A) tuition and fees required by an institution of higher education for attendance at such institution;

"(B) fees required by an institution of higher education for a course of instruction at such institution;

"(C) books, supplies, and equipment certified by an institution of higher education as necessary for a course of instruction at such institution; and

"(D) meals and lodging while attending an institution of higher education, but only if the individual for whom such amounts are paid is, at the time such expenses for meals and lodging are incurred, a full-time student at such institution or is enrolled in courses having at least one-half of the number of hours required to qualify as a full-time student.

"(2) INSTITUTION OF HIGHER EDUCATION.—The term "institution of higher education" means an educational institution (as defined in section 151(e)(4))—

"(A) which is accredited by a recognized national or regional accrediting agency, and

"(B) (i) which is authorized to confer any baccalaureate or higher degree, or (ii) whose curriculum consists of courses at least two-thirds of which are courses of instruction within the meaning of this section.

"(3) COURSE OF INSTRUCTION.—The term "course of instruction" means a course of instruction for the successful completion of which credit is allowed toward a baccalaureate or higher degree by an institution of higher education authorized to confer such degree, or which is required for graduation by the institution of higher education offering such course.

"(c) LIMITATIONS.—

"(1) EXPENSES OF EACH INDIVIDUAL.—Deduction shall be allowed under subsection (2) for the expenses for higher education of any one individual paid during the taxable year only to the extent that such expenses do not exceed \$2,000.

"(2) SPOUSE.—Deduction shall be allowed under subsection (a) for the expenses for higher education of the spouse of the taxpayer paid during the taxable year only if—

"(A) the taxpayer is entitled to an exemption for his spouse under section 151(b) for the taxable year, or

"(B) the taxpayer files a joint return with his spouse under section 6013 for the taxable year.

"(3) MEALS AND LODGING.—

"(A) FULL-TIME STUDENTS.—Deduction shall be allowed under subsection (a) for the expenses for higher education described in subsection (b)(1)(D) paid during the taxable year which are incurred by any individual who at the time such expenses are incurred is a full-time student only to the extent that such expenses do not exceed—

"(i) in the case of such expenses incurred while the individual is attending an educational institution away from home, \$90, multiplied by the number of months during the taxable year in which the individual attends an educational institution away from home, or if greater, by the number of months for which payment is made during the taxable year for meals and lodging for the indi-

vidual while he is attending an educational institution away from home; or

"(ii) in the case of such expenses incurred while the individual is attending an educational institution not away from home, \$45, multiplied by the number of months during the taxable year in which the individual attends an institution of higher education not away from home, or, if greater, by the number of months for which payment is made during the taxable year for meals and lodging for the individual while he is attending an educational institution not away from home.

"(B) LESS THAN FULL-TIME STUDENTS.—Deduction shall be allowed under subsection (a) for the expenses of higher education described in subsection (b)(1)(D) paid during the taxable year which are incurred by any individual who at the time such expenses are incurred is not a full-time student but who is enrolled in courses having at least one-half of the number of hours required to qualify as a full-time student only to the extent that such expenses do not exceed an amount determined under subparagraph (A) (i) or (ii), whichever is applicable, except that, for purposes of this subparagraph, there shall be substituted for \$90 in subparagraph (A)(i), and for \$45 in subparagraph (A)(ii), an amount which bears the same ratio to \$90 or \$45, as the case may be, as the number of hours in which such individual is enrolled bears to the number of hours required to qualify as a full-time student.

"(C) SPECIAL RULES.—For purposes of subparagraphs (A) and (B), a month during which an individual attends an institution of higher education for less than 10 days shall be disregarded; and an individual who is attending an institution of higher education not away from home, but who is required by such institution to accept meals and lodging furnished by such institution, shall be treated as if he is attending an institution of higher education away from home. For purposes of this section, the amounts paid for meals and lodging of an individual while he is attending an institution of higher education not away from home shall, in the case of meals and lodging furnished to such individual by the taxpayer, be determined under regulations prescribed by the Secretary or his delegate.

"(4) OTHER PERSONAL AND LIVING EXPENSES.—Except as provided in paragraph (3), deduction shall not be allowed under subsection (a) for any amount paid, directly or indirectly, for any personal or living expenses. In the event an amount paid as tuition or fees includes an amount for any personal or living expense (including meals or lodging) which is not separately stated, the portion of such amount paid which is attributable to such personal or living expense shall be determined under regulations prescribed by the Secretary or his delegate.

"(5) TAXPAYERS HAVING SUBSTANTIAL TAXABLE INCOME.—The amount which (but for this paragraph) would be allowable as a deduction under subsection (a) shall be reduced by the amount by which the taxable income of the taxpayer (computed without regard to this section) exceeds—

"(A) \$10,000, if the taxpayer is unmarried and is not a head of a household (as defined in section 1(b)(2)) for the taxable year, or is married and files a separate return for the taxable year, or

"(B) \$20,000, if the taxpayer is married and files a joint return with his spouse for the taxable year, or is a head of a household or surviving spouse for the taxable year.

"(d) REDUCTION FOR CERTAIN SCHOLARSHIPS, FELLOWSHIPS, AND VETERANS' BENEFITS.—The expenses for higher education paid by the taxpayer with respect to any individual which (but for this subsection) would be taken into account under subsection (a) shall, under regulations prescribed by the Secretary or his delegate, be

reduced by any amounts received by or for such individual during the taxable year as—

“(1) a scholarship or fellowship grant (within the meaning of section 117(a)(1) which, under section 117, is not includible in gross income, or

“(2) education and training allowance under chapter 33 of title 38 of the United States Code or educational assistance allowance under chapter 35 of such title.

“(e) EXCEPTION.—Subsection (a) shall not apply to any amount paid which is allowable as a deduction under section 162 (relating to trade or business expenses).”

“(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1962.

“On page 86, between lines 5 and 6, strike out—

“Sec. 219. Cross references.”

and insert in lieu thereof the following:

“Sec. 219. Expenses for higher education.

“Sec. 220. Cross references.””

STATEMENT BY SENATOR TOWER

I introduce, for appropriate reference, a bill designed to provide income tax credits and income tax deductions for education expenses on all levels. This is essentially the same bill I sponsored last session.

May I say that in addition to the bill I now propose, I am an active cosponsor of S. 12 by the Senator from Connecticut [Mr. RIBICOFF]. I hope S. 12 will receive favorable action here this session along with the measure I now propose.

My bill has three main provisions:

1. It provides a tax credit for homeowners for that portion of their real property tax which is used for maintenance, operation and construction of public elementary and secondary schools. Every such taxpayer would obtain this education assistance whether or not his children attend public school.

2. It provides a tax credit for individuals and corporations for gifts and contributions made to nonprofit institutions of higher education. This contribution credit could not exceed \$100 for an individual and \$1,000 for a corporation.

3. It provides a tax deduction for taxpayers who are themselves students or whose spouses or children are attending college. College expenses covered by this bill would include tuition and fees; books, supplies and equipment; and room and board. Total deductions would be limited to \$2,000 for each student attending college, and the coverage for room and board would be limited to no more than \$90 per month. A progressive limitation feature would curtail the amount of deduction granted to taxpayers with higher incomes.

Mr. President, as a former college professor, I am fully aware of the worries of many American families about the adequacy of our schools and their curricula. I am equally aware of the worries of many families that the costs of college education for their children are far beyond their means.

This is a pressing problem in which the very future of our Nation is at stake. Additional American resources must be applied to the needs of education.

It is my belief that the tax credit and deduction approach is the best way to apply those needed resources. Although other plans have been put forward, this approach has, it seems to me, two key advantages contained in no other plan now being discussed.

First, the tax credit approach preserves local and State control and supervision for education.

Second, the tax credit approach eliminates the troublesome question about separation of church and state.

Under the tax credit and tax deduction plan for aid to education, the taxpayers'

money never leaves his control; that money never is sent to Washington and partially sent back to local schools and colleges. Thus, there are no Federal strings attached. No control strings, and no strings that can tangle in the constitutional briarpatch surrounding private and religious-backed schools.

Under the tax credit plan, such as I now propose again, the taxpayer applies his money wherever and whenever he wants. He decides how best to educate his children and then does it. And under this legislation he will have a choice of greatly expanded and improved educational institutions from the first grade through the university.

May I emphasize again that this tax relief approach offers an acceptable means of channeling greatly increased new funds into education, tax-supported or privately supported, State-controlled or independent, secular or religious. And, this is accomplished within the framework of a policy long acknowledged by the Congress—a policy of giving incentive to taxpayers to make voluntary contributions to programs benefiting both individuals and the entire society.

I believe these bills would help preserve the diversity and flexibility of the whole American educational system, a diversity of vital importance in maintenance of the freedoms and pluralism so cherished in our national life.

Mr. MILLER. Mr. President, my amendment No. 430—and I might point out that I have modified the amendment slightly—has not been read, but, for all practical purposes, I do not believe that it is too important to call attention to the modifications except to point out that the senior Senator from Iowa has a copy of the modified amendment.

I should like to explain my amendment very briefly. It would strike from the bill title IV, part A, which provides for undergraduate scholarships, and then strike title IV, part D, which provides for an extension of the National Defense Education Act, and supersede the present title 2 of the National Defense Education Act pertaining to student loans.

The purpose of my amendment is to provide one Federal loan program, instead of having two loan programs, and to abolish the idea of Federal grants based purely upon economic status in favor of an equitable loan program.

Among other things, the amendment would provide substantially what the bill would provide for insofar as loan totals are concerned, and insofar as the National Defense Education Act now provides. It provides for a maximum of \$1,500 a year loan for 4 years of undergraduate and up to \$2,500 a year for further graduate work, with a maximum of 3 years.

It is my understanding that, under the present bill, with regard to the scholarship and loan provisions, the intention is to put a ceiling of approximately \$1,500 on the combination. My provision for \$1,500 loan would correspond with that policy.

High school graduation is required, but there is no particular class standing requirement on an initial loan. Recipients would have to maintain satisfactory progress for renewal of the loan.

The administration of the loan would be exactly the same as under the present National Defense Education Act and under title IV, part A, of the bill. It ap-

plies to an institution where the applicant is accepted and desires to enroll.

The amendment contains the same provisions as the National Defense Education Act for postponing repayment while the borrower continues his education or is in the Armed Services or in the Peace Corps. It has the same provisions for loan forgiveness arising from employment as a teacher and provides for cancellation upon death or total disability.

Turning to the specific sections of my amendment, section 401 is the same with the exception that the authorization contained in my amendment combines the totals of the loan and scholarship provisions of the bill. In other words, we are seeking to obtain the same total student coverage, and therefore, I have set forth the total loan and scholarship totals as provided in the bill.

In section 402 I have provided a maximum annual loan of \$1,500 for undergraduate students and \$2,500 for graduate students.

Section 403 pertains to duration of the loans. It is exactly the same as in the committee bill except that it provides for graduate students as well as undergraduate students.

Section 404, pertaining to selection of recipients of loans, is the same as the committee bill, with the exception that subsection 404(b) provides in addition that relative academic ability shall be used as one criterion in selecting the students to be awarded loans from among those who are qualified based on need. I think it is a desirable provision to insure that when there are more applicants than there are loans available, all based on need, academic ability will be determinative as to who shall receive the loan.

Section 405 relates to apportionment of loan funds among the States, and is the same as in the bill.

Section 406, relating to allocation of apportioned funds to institution, is the same as the provision in the bill.

Section 407, relating to agreements with institutions and conditions, is the same as in the bill, with a slight technical amendment.

Section 409 of my amendment is the same as section 408 of the bill.

Section 410 of my amendment is the same as section 409 of the bill.

We come now to the heart of my amendment, which relates to the repayment-of-loans procedure.

Under my proposal, a student recipient of a loan would start repaying his loan under the same provisions as the bill; namely, after he completes his academic work, but his repayment would occur simultaneously with the filing of his income tax return. The amount of the repayment would be 25 percent of what is called the higher education investment profit.

I refer my colleagues to page 13 of my amendment. This is how that higher education investment profit is determined: Those persons would take the total income shown on the income tax returns from wages, salaries, profits, commissions, and the net income from a business or profession to the extent that that income exceeds the average income

from similar items in the case of high school graduates who have not had an opportunity to have higher education. That excess will be the so-called higher education investment profit.

For example, let us assume that the college graduate received \$8,000 in income, and the average high school income would be \$6,000. This difference of \$2,000, which would be called the higher education investment profit, would be the 25 percent repayment, or \$500 over the regular income tax payment, until the loan was paid up.

So the amount of the payment would fluctuate depending on how much better such a student did than his contemporaries who had not had the opportunity to go beyond high school.

It is a new approach. To me it has a great deal of merit. I ask the Senator from Oregon if he would care to comment.

Mr. MORSE. Mr. President, I have a brief comment. I urge the Senate to defeat the amendment, if it comes to a vote, but I hope, better still, on the basis of an assurance I will give the Senator from Iowa, that he will withdraw the amendment. Before I give those assurances to the Senator, let me state the reasons why the amendment should be rejected. It should be rejected for three reasons:

First. It substitutes a loan program for a scholarship program and therefore does not meet the need which was intended to be met through the scholarship program.

Second. It has not been considered by the Labor and Public Welfare Committee and neither that committee nor any other interested party has had an opportunity to evaluate it.

Third. The program proposed by the amendment is little more than a variation of the National Defense Education Act loan program.

Mr. President, I could not take the amendment to conference because I know that my committee, by an overwhelming vote, would be opposed to the amendment in its present form.

We shall have in the next session of this Congress legislation in regard to revisions of the National Defense Education Act program. I recommend that the Senator offer his amendment to that bill. I assure him that if he offers it to that bill, I will set hearings on the amendment, hear whomever he wishes to bring before the committee to testify, and he will have a full opportunity to convince the subcommittee of the merits of it, although our present prejudgment of it is that it should not be a part of this bill. We will consider it in committee hearings, and change our minds if we are convinced they should be changed.

Mr. MILLER. I appreciate the Senator's statement. As I understand the situation, if the bill passes in its present form, this entire area will be in conference.

Mr. MORSE. That is correct.

Mr. MILLER. All the loan provisions will be in conference.

Mr. MORSE. That is correct.

Mr. MILLER. So this particular proposal, so far as loans are concerned,

would be something that could be in conference with other proposals that have to do with loans.

Mr. MORSE. Yes, if someone proposed it in conference, but I would be less than honest if I did not say I do not know of anyone who would propose it, and I could not agree to take it to conference. If someone raised the point in conference, because of the fact that the loan provisions would be in conference, that, too, would be in conference.

Mr. MILLER. I am not asking the Senator to take it to conference. I understand how he feels about it, and his assurance that hearings will be held if it is introduced, as it will be, at the next session. But on negotiation of differences between the conferees, I would hope that members of the Senator's committee would be open to other alternatives that might be suggested. This is one that I think could be considered, assuming that the Senate committee's position cannot be worked out in conference.

Mr. MORSE. The trust and obligation we owe to the Senate is to do the best we can to bring out a higher education bill that will meet to the greatest extent possible the needs of higher education.

Mr. MILLER. The committee unanimously approved the scholarship approach to the extent it is in the bill, and since this amendment represents strictly a loan approach, I can well understand why the Senator has had to say what he said. With respect to the loan provision, this is a loan repayment approach which, so far as the loans in the bill are concerned, I hope would be given consideration.

Mr. MORSE. There are loan provisions in the bill. That is the loan procedure we like. I am going to support our loan procedures. But if we should encounter opposition and objection, that matter would be under consideration, because the loan provisions would be in conference.

Mr. MILLER. I appreciate what the Senator has said.

Mr. President, I withdraw my amendment.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. YARBOROUGH. Mr. President, has the pending amendment been disposed of?

The PRESIDING OFFICER. The pending amendment was withdrawn.

HIGHER EDUCATION BILL GOES TO THE HEART
THE EDUCATION PROCESS; STUDENTS, TEACHERS, AND FACILITIES

Mr. YARBOROUGH. Mr. President, as a member of the Senate Education Subcommittee since 1958, and a co-author of the National Defense Education Act of 1958, I have worked on and strongly supported every education measure that has been before the Senate in the past 7 years. During those years, the expenditures of the Federal Government on education have increased manifold. More important education legislation has been enacted in the recent past than throughout all the rest of our history. The higher education bill of 1965 is a worthy addition to this record.

The process of education always involves three necessary components: students, teachers, and facilities. This higher education bill goes to the heart of the educational problems facing us today because it comes to grips with each of these parts of the educational process.

The Senate Education Subcommittee spent countless hours on this bill, which in my estimation is one of the most comprehensive higher education bills ever to come before this body. Twelve days of hearings were held. The educators heard were among the most outstanding in the Nation. The subcommittee met in executive session 10 times. Forty-eight printed amendments were considered. The bill has been greatly expanded and, I feel, improved by the subcommittee. I wish to praise members from both sides of the aisle for the expertise and hard work which they brought to the task. Most of all, I wish to praise the distinguished chairman of the subcommittee, the senior Senator from Oregon, for the almost infinite patience and unfailing courtesy which he has shown at all times. He has always exhibited great leadership in improving American education, but never more than during the development of this bill.

THE STUDENT

There is one part of this bill which has been promised longer than any other. It has been promised for so long because it is a necessary part of the American way of life. It says that a man's background need not matter; it is his ability and will to get ahead that count. We will judge a man on what he is able to do and can do, not on his financial background.

Today, implementation of this creed demands that a boy or girl have access to as much and as high a quality education as his or her ability allow. Up until now this has been an unrealized promise. Figures developed by project talent show that in terms of aptitude, of the top 50 percent of boys graduating from high school, 37.9 percent of those from families with less than \$3,000 annual income did not enroll in college. As the Senate committee report points out, the relationship between family income and college attendance is clear:

In 1960, for example, 78 percent of all high school graduates whose families had incomes of \$12,000 or more per year attended college. By contrast, only 33 percent of students in the \$3,000 or less family income bracket went on to higher education.

We are therefore providing \$70 million during fiscal year 1966 for a program of scholarships so that, through a combination of this grant aid, loan money, and part-time work, a needy student can go to college if he has the will and the ability. One hundred and forty thousand students will be able to go to college under the scholarship provision.

I emphasize that this grant is not a dole. Far from it, it is a small bit of aid which will mean the difference between a needy boy or girl going to college or not going to college. An average award will be about \$500. When we consider that the average cost of attending col-

lege is above \$1,600 in public institutions and over \$2,500 in private institutions, we see just how small the grant is.

I ask unanimous consent to insert at this point in the RECORD a table from the committee report showing how needy students in different types of institutions will go about financing their educations

through the use of NDEA loans, college work-study funds, summer work, and other sources in addition to the scholarships authorized under part A of title IV.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

PACKAGING OF STUDENT ASSISTANCE IN 6 TYPES OF INSTITUTIONS OF HIGHER EDUCATION

TABLE A.—Composition of assistance to a needy student with no parental support, by type

	High-cost, private university	High-cost, private liberal arts college	State university	State college (commuters)	Public junior college (commuters)	Private technical institute (commuters)
NDEA loans.....	\$800	\$800	\$350	\$100	-----	\$300
Federal scholarship.....	500	500	500	500	500	500
College work-study.....	600	600	600	-----	-----	-----
Student summer work (freshman and sophomore).....	250	250	250	250	250	250
Institutional grants-in-aid.....	800	800	-----	-----	-----	150
Other.....	400	150	-----	-----	-----	-----
Total assistance.....	3,350	3,100	1,700	850	750	1,200

TABLE B.—Expenses of the typical student, by category, in the same institutions

	High-cost, private university	High-cost, private liberal arts college	State university	State college (commuters)	Public junior college (commuters)	Private technical institute (commuters)
Total expenses.....	\$3,350	\$3,100	\$1,700	\$850	\$750	\$1,200
Tuition and fees.....	1,750	1,500	250	150	50	500
Room and board.....	800	800	800	-----	-----	-----
Books and supplies.....	100	100	100	100	100	100
Transportation.....	300	300	150	200	200	200
Personal expenses and miscellaneous.....	400	400	400	400	400	400

Mr. YARBOROUGH. Mr. President, the promise of equal opportunity is further kept by the expansion of the college work-study program first authorized under the Equal Opportunity Act of 1964. Under this program, a needy student works part of the day so that he may go to school the rest of the day; \$129 million is authorized for fiscal year 1966. Up to 285,000 students are expected to be able to work under this program this year.

With the ever-increasing cost of education, the financial burden of educating children has come to bear increasingly heavily upon middle income families. Because of their ability to pay, people from these groups should finance their own educations. However, since it is frequently very difficult for them to finance college study out of annual income, and since commercial credit is frequently available only at high interest rates and must be repaid in the same year in which it is borrowed, it seems advisable to have a program in which loans can be secured at a reasonable rate of interest and be paid back over a longer period of time than is now possible. The bill authorizes a program in which Federal payments will be made to State or nonprofit private loan insurance programs. In addition, the Government will pay 3 percent of the interest rate on these loans so long as the student comes from a family making less than \$15,000 per year. The maximum interest rate allowed is 6 percent. With the enactment of this program, every college student in the Nation will have access to low interest loans with a reasonable period of repayment.

I am glad the distinguished chairman of the subcommittee is on the floor because the conference on the antipoverty bill in the House of Representatives begins in 15 minutes. I realize he will be required to leave and I wanted to ask him at this point about the effect of the guaranteed private loan provision of the bill.

Since its establishment in 1958 the NDEA student loan program has become an integral part of the institutional student aid program in more than 1,600 colleges and universities across the Nation.

Since then 750,000 students have gone to college under NDEA. The number of colleges has increased during that time from 1,600 to 2,100. At the time NDEA was passed less than 200 colleges had private loans. Today, about 1,600 colleges in America have loan programs for students; as many colleges as there were in 1958.

NDEA includes loans to students and repayment for students who go into teaching as well as suspension of payments for 3 years for those students who enter the Armed Forces, the Peace Corps, or who go to graduate school.

The need is going up rapidly, with 5,200,000 college students now, and an estimated 10 million in the next 10 years.

In my judgment the NDEA program is the best program this country has ever seen and better than the private loan program in this bill.

My question to the distinguished chairman of the subcommittee is this: Is it intended that these guaranteed loans by banks will in any degree slow down or

lessen the National Defense Education Act program?

Mr. MORSE. No one on my committee has been a more able advocate of the strengthening of the national defense education program than the Senator from Texas [Mr. YARBOROUGH].

My answer to the question is the insured loan program set forth in the bill does not in any way signal either an elimination of the NDEA loan program under title II or amend it by weakening it in any respect.

For the legislative history, let me say this.

Since its establishment in 1958, the NDEA student loan program has become an integral part of the institutional student aid program in more than 1,600 colleges and universities across the Nation. The cancellation provisions for teaching service continue to be a significant factor in recruiting teachers not only for elementary and secondary schools, but now for our colleges and universities as well. Other aspects, including loans to part-time students, deferment of repayment for students who serve in the Armed Forces and the Peace Corps, suspension of payments for students continuing in graduate study—distinguish this from all other student loan programs, both State and private.

As we have stated in the committee report, the requirement for student assistance is so vast and is mounting so rapidly, that measures must be taken to stimulate and broaden the State efforts which in turn involve the private sector, that is, guaranteed loans from commercial sources. To this end, we propose in part B, title IV of the bill, a program of interest reduction in State and private guaranteed loan programs as a companion to the NDEA student loan program. Efforts of the institutions through the NDEA, efforts of the States through guaranteed programs, and efforts in the private sector through such organizations as United Student Aid Funds must all be continued and assisted if we are to make good on the promise that no student will be denied the opportunity for post-secondary education.

The Senator has nothing to worry about so far as continuation of the NDEA loan program is concerned.

Mr. YARBOROUGH. I thank the Senator. I hope that the NDEA fund will be increased this year. That is needed, with the rapidly growing enrollment.

There is another point.

The bill was supposed to provide that in the case of a man being inducted into the armed services, the interest on his loan will continue to accrue, but that he as the borrower would be spared from repaying the installments of the loan. I am informed that that provision is not in the bill. We have had an amendment prepared by the Legislative Reference Service to provide for the deferment of the repayment of the principal for 3 years while the borrower is a member of the armed services or a volunteer in the Peace Corps. I ask that the amendment be stated. The amendment does not stop the interest payment, but it provides that the borrower will not have to pay the principal while he is in the service.

Mr. MORSE. I should first like to yield at this point to the Senator from Tennessee.

Mr. BASS. My remarks are not directed to the consideration of the amendment the Senator is offering. I wish to say that I support the proposed legislation as strongly as possible. As a result of a longstanding engagement, it now appears that I shall have to depart and will not be able to be present for the final vote.

I wish the RECORD to show that I support the legislation. I have been assured by the leadership and the manager of the bill that my vote will not be necessary to pass the bill. If that were not true, I would remain here. I wish to commend the distinguished Senator from Oregon for the work he has done in bringing this legislation to the floor. I give him all the support I can.

Mr. MORSE. I thank the Senator for his remarks. I wish to thank him for the great help he has been to me as we progressed with the bill through the various stages in committee. All of us on the committee deeply appreciate his support of Federal aid to education.

May I have the attention of the Senator from Texas for a moment? Will the Senator permit me to have 5 or 10 minutes to consider his amendment? I did not hear of his amendment until he announced it. I could not agree to take it to conference until I have studied it. In the meantime, unless the Senator from North Carolina has some remarks to make—

Mr. YARBOROUGH. I have not finished my remarks. I shall withhold my request for action on the amendment. I have remarks to make on other parts of the bill while the distinguished Senator from Oregon is waiting for a clarification of the amendment.

Mr. MORSE. Will the Senator yield briefly to the Senator from Connecticut?

Mr. YARBOROUGH. I shall be glad to yield briefly without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DODD. I have an amendment that I wished to offer. I do not intend to press it to a vote, but I wish to speak briefly and make a record on it. I do not believe the Senator from Oregon can accept the amendment this year. Perhaps it will be accepted next year or at some later date. May I offer the amendment?

Mr. MORSE. Mr. President, under the circumstances, I believe it would be better if the Senator were to withhold it for the present until we conclude consideration of the amendment the Senator from Texas is offering.

THE TEACHER

Mr. YARBOROUGH. The second necessary component of education is the teacher. This bill will help provide more and better teachers. Part C of title V provides funds for 4,500 fellowships for this fiscal year. These will go both to young people just graduated from college, and to older teachers who have had some years of experience and who wish to go back and get their master's degrees. I

again commend the distinguished Senator from Oregon, [Mr. MORSE] for the work which he has done on this program, which he has inspired from its inception.

Two distinguished members of the Senate Labor Committee, the distinguished Senator from Wisconsin [Mr. NELSON] and the distinguished Senator from Massachusetts [Mr. KENNEDY] have pointed the way into an imaginative new program for training new teachers and utilizing their skills in areas of great need at the same time. The National Teacher Corps will bring teaching teams comprised of an experienced teacher together with several younger, inexperienced teachers, to teach in areas that are marked by large concentrations of low income families, \$36,100,000 is earmarked for this program during fiscal year 1966.

FACILITIES

Mr. President, an amendment which I had the honor to introduce and to co-sponsor with Senators CLARK, LONG of Missouri, MCCARTHY, MORSE, PROUTY, and RANDOLPH, belongs really both to the categories of the teacher and of facilities. Its purpose is to upgrade the quality of teaching in American colleges and universities by authorizing matching grants for the purchase of special classroom and laboratory equipment. This is equipment similar to that now authorized for elementary and secondary schools under title III of NDEA.

Mrs. NEUBERGER. Mr. President, will the Senator yield?

Mr. YARBOROUGH. I yield.

Mrs. NEUBERGER. I have been particularly interested in title III, and in the comment in the report that these colleges are poor and cannot become better. I hope that the bill will help that a great deal. I am interested in the audio visual program, and I should like to know what it includes. For instance, there is a long list of motion picture films that are being produced commercially. I believe Indiana University is noted for its production of educational material. I see the Senator from Indiana on the floor, and he is nodding his head. I can remember from my teaching days using that kind of material.

Is it the intent of the committee that matching funds under the use of audio visual material would be available for even professional motion picture films?

Mr. YARBOROUGH. There are two parts of the question of the distinguished Senator from Oregon. The first is, What does this equipment consist of? The second is, Is it to be used on a professional level?

Educators have testified—and their testimony is included in these three volumes on my desk—that we are at the beginning of a revolution in teaching in America. They showed us pictures of a science laboratory, showing a scene in which the teacher, instead of teaching in the old-fashioned way, has the students go to a booth or a table. There he puts on headphones and turns on his own TV. The teacher goes around from student to student, giving aid where needed. It has been found that in this way a student can learn 40 percent more

in a given time than with the old method using the table or laboratory method.

We are at the beginning of a revolution in the techniques of teaching. New methods of imparting knowledge and stimulating inquiry, of sharpening minds, of exercising reasoning ability, of giving vent to the creative energies of students, of making education more meaningful and more efficient, are the fruits of tremendous and imaginative effort being carried on by our Nation's educators. Much of this requires equipment of one kind or another, such as films, language and listening laboratories, closed circuit television, video tapes, self-instruction equipment, and many other types of equipment. Completely new classrooms have been designed so that even in a fairly large class, a student can have a sense of participating by responding to questions and by participating in experiments and exercises of various kinds, rather than passively listening to a lecture.

These new techniques of learning are intended to make of education a more vivid experience. They are intended to enhance the effectiveness of the teacher. They are also aimed at freeing the teacher from many of the details of teaching, so that he can devote more individual time to the students. One of the student's major complaints is that he has too little contact with his teachers. The new media can give the teacher more time to devote to individual contact with students.

But the new media are expensive to purchase. Therefore this amendment has been adopted, so that poorer colleges can get assistance in raising the quality of their teaching. Title VI authorizes \$35 million for fiscal year 1965 for matching grants to colleges for this purpose. For the most needy colleges, grants of up to 80 percent are authorized.

Also authorized in title VI are funds for the purchase of closed circuit TV, for a faculty development program which is the college-level counterpart of title XI of NDEA, and for administration of State plans.

Through this amendment colleges all across America, regardless of their financial resources, will be able to invigorate their teaching.

Mr. President, I ask unanimous consent that the explanation of title VI appearing in the committee report and the remarks which I made when introducing this amendment on July 6, be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TITLE VI

Title VI has been added to the bill by the committee. This title deals directly and specifically with improving the quality of instruction in our college classrooms. It helps meet what the President has described, in his initial education message, as one of the most pressing needs in creating an adequate educational system: "techniques of instructions that are modern."

The bill as introduced did not deal, in exact terms, with this most important problem. However, the committee heard testimony from informed educators which re-

vealed that, although in the past Congress has enacted various programs providing substantial sums of money to build college classrooms and facilities and to aid individual students, the questions of quality and excellence in college teaching techniques themselves and the adequacy of college materials and equipment to permit such quality instructions have been left unattended. This has been a particularly serious problem in small schools which have inadequate budgets to purchase modern teaching materials.

This title is aimed at those colleges and universities—both public and private—which are trying to improve themselves but which, because of lack of financial resources, are unable to participate in the educational revolution which is being brought about through the use of the new techniques for learning.

Our more affluent colleges and universities have found ways of increasing the quality and quantity of their educational offerings through the use of such things as closed circuit television, films and filmstrips, modern science, language and listening laboratories, and self-instructional laboratories. In the process, these institutions have found it possible to free teachers from the more mechanical aspects of imparting information, and to make possible more effective teacher-student relationships. However, these opportunities have been denied to many small and less well-financed institutions.

Moreover, title III of the National Defense Education Act of 1958 has had a most laudatory effect on the use of new instructional media in the elementary and secondary schools. However, it has created an imbalance in our educational system. Today's college freshmen were sixth graders when the NDEA became law. Because of NDEA, many of them have graduated from high schools that are relatively well equipped with these new teaching devices and materials. But today, these students often find themselves in colleges that have not benefited from similar legislation. Thus, many of today's college freshmen face a regression in instruction, instructional media, and instructional techniques.

Another significant aspect of this imbalance was also pointed out in testimony before our subcommittee. For 7 years our colleges have been training teachers for positions in schools whose instructional programs have been improved with NDEA funds. But in most cases these colleges themselves have been providing instruction by the use of instructional techniques that have changed very little since long before 1958—and teachers tend to teach not as they were taught to teach, but as they were taught.

Clearly, there are vast added responsibilities facing all institutions of higher education. College enrollments in this country have increased from 2.4 million students 10 years ago to 4.8 million in 1964, and by 1973 there will be an estimated 8 million students in institutions of higher education. Numerical expansion has spread the limited materials and equipment to the point where the quality of educational content has suffered severely. Recent and rapid advances in our knowledge of science threaten to render many existing teaching materials and equipment obsolete.

As noted, this "quality gap" is occurring, ironically, at a time of significant breakthrough in the development of new techniques of instruction. The use of the audiovisual materials, closed circuit television, and other teaching aids has been shown to aid the teacher greatly in instructing students in a meaningful fashion.

Further, we have seen that the availability of adequate laboratory and other equipment

in our classrooms can transform an otherwise abstract subject into interesting and beneficial learning experiences. These new media of instruction can enhance the effectiveness of a teacher and give him more time to devote to his students.

To meet these needs, title VI has been added to S. 600 to improve the quality of college classroom instruction in selected subject areas.

The title is divided into two parts.

Part A authorizes the Commissioner of Education to make matching grants to institutions of higher education for the acquisition of laboratory and other special equipment, including audiovisual materials and equipment for classrooms or audiovisual centers, and of printed and published materials—other than textbooks—for classrooms or libraries. Such equipment and materials are to be suitable for providing education at the undergraduate level in the following subjects: science, mathematics, foreign languages, history, geography, government, education, the arts, English, and other humanities.

Equipment and materials to be acquired under this program are generally similar to those now being acquired under title III of the National Defense Education Act as amended. They would include equipment for science, language, mathematics, and other laboratories; audio visual equipment, such as projectors, screens, recorders, and the like; specialized equipment for audiovisual centers; and audiovisual materials, including films, filmstrips, transparencies, slides, tape and disk recordings, and other materials now existing or to be developed. Necessary minor remodeling of classrooms or other space is authorized.

It is specifically not the intention of this title to provide funds for basic scientific research, for graduate studies, or for advanced professional research. The purchase of electronic computers would not be authorized. Nor would television equipment be included under section 601(b) since it is provided for separately in section 601(c). Printed and published instructional materials, such as maps, charts, encyclopedias, and similar materials (other than textbooks) would be included. The printed and published materials to be provided here are to be specialized materials for classroom instructional purposes, although they may be housed in the library or instructional materials center of the institution. This title will also permit the acquisition of materials to be used in education courses for demonstration purposes.

Expenditures authorized for the acquisition of this equipment would be \$35 million for the fiscal year ending June 30, 1966; \$50 million for the year ending June 30, 1967; and \$60 million for each of the 3 following fiscal years.

This part also authorizes matching funds for the acquisition of closed-circuit television equipment for use in instruction in the above subject fields. These funds can be used for necessary engineering studies, equipment acquisition, and acquisition (including purchase, lease, or rental) of instructional materials for use on such equipment, and minor remodeling necessary for such television equipment. Equipment would include that which is designed for fixed-service instructional television, as defined by the Federal Communications Commission, but it would not include regular broadcast television equipment.

The expenditures authorized for such closed-circuit TV equipment and materials would be \$2.5 million for the fiscal year ending June 30, 1966, and \$10 million for the fiscal year ending June 30, 1967, and for each of the following 3 fiscal years.

The allotment formula is intended to reflect both the relative numbers of students

enrolled in institutions of higher education in the various States and the relative per capita incomes in the various States. There is a direct relationship between the number of students enrolled in institutions of higher education in a State and the size of the State's allotment. There is an inverse relationship between a State's relative per capita income and the size of the State's allotment.

Half of the funds appropriated for any fiscal year shall be allotted among the States so that the allotment to each State will be an amount which bears the same ratio to such one-half as the number of students enrolled in institutions of higher education in that State bears to the total number of students enrolled in such institutions in all the States.

The remaining one-half of the funds shall be allotted so that the amount of this one-half which each State receives shall be an amount which bears the same relationship to this one-half as the product of (a) the number of students enrolled in institutions of higher education in that State and (b) the State's allotment ratio bears to the sum of the corresponding products for all the States. The allotment ratio for any State shall be 1 less the product of (i) 0.50 and (ii) the quotient obtained by dividing the income per person for the State by the income per person for all the States (not including Puerto Rico, the Virgin Islands, American Samoa, and Guam), except that the allotment ratio shall in no case be less than 0.33½ or more than 0.66½. This second part of the formula is the same as that of title I of Public Law 88-204.

Administration of part A at the State level would be by State commissions, presumably by the same agency which administers the Higher Education Facilities Act at the State level, but it can be another agency. Federal grants will normally be available on a 50-50 matching basis. However, in order to permit institutions of limited means to participate, a State commission may increase the Federal share up to 80 percent of such cost for a particular institution proving need. This will give the States the means to plan their programs of higher education with sufficient flexibility so that they can encourage developing institutions, placing emphasis on excellence, quality of classroom instruction, and strengthening of substance in specific subject areas. The purpose of assigning administration to a State agency is to authorize and encourage long-range State plans for the development and coordination of activity in these areas.

The sum of \$1 million per year is authorized for the fiscal year ending June 30, 1966, and for each of the 4 succeeding fiscal years, for the purpose of assisting the States in financing expenditures incurred in the proper and efficient administration of the State plans.

FACULTY DEVELOPMENT PROGRAMS

Part B of this title authorizes the Commissioner of Education to arrange, by means of grants or contracts, for institutions of higher education to operate short-term workshops, or short-term or regular session institutes for individuals who are engaged in, or are preparing to engage in, the use of educational media equipment in teaching in institutions of higher education, or who are, or are preparing to be, specialists in educational media in higher education, or librarians or other specialists using such media in institutions of higher education.

This part would provide for workshops and institutes to train faculty personnel, educational media specialists, librarians, and others, in the utilization of the new educational media for the improvement of instruction. Activities conducted under this part might include workshops of only a few days' duration, or short-term or regular session institutes.

An authorization of \$5 million would be provided for the fiscal year ending June 30, 1966, and for each of the 4 following fiscal years, to carry out the provisions of this part.

IMPROVING THE QUALITY OF INSTRUCTION IN HIGHER EDUCATION: AN AMENDMENT TO THE HIGHER EDUCATION BILL

AMENDMENT NO. 311

Mr. YARBOROUGH. Mr. President, one thing which the hearings on the higher education bill made very clear is the need for higher quality instruction in our institutions of higher education. Simply educating larger numbers of people is not enough. We must educate larger numbers of our young people and improve the quality of their education at the same time.

The situation in the colleges has been graphically described by Sidney Hook in a recent article in the New York Times magazine:

"The irony of the situation is that students in our mass institutions of learning suffer today far more from the failure of faculties to attend to the students' individual educational needs than from alleged suppressions of their freedom of speech. The students' freedom to learn is frustrated by crowding, inferior staffing, and by the indifference of many faculties to the best methods of classroom teaching. Colleges still operate on the absurd assumption that anyone who knows anything can teach it properly. It is an open scandal that the worst teaching in the American system of education takes place at the college level. In some universities, large introductory courses where skillful teaching is of critical importance in arousing student interest are turned over to young, inexperienced graduate assistants at the outset of their careers who stumble along by trial and error and groping imitation of the models of teaching they vaguely remember." ("Academic Freedom and the Rights of Students," by Sidney Hook, New York Times, Jan. 3, 1965.)

Increasing opportunities for education and at the same time improving the quality of education is obviously a very large order. Fortunately many of our outstanding educators have been hard at work on the problem. They have investigated the learning process. They have studied conventional methods of teaching to find where the weak points lie. They have experimented with new methods of instruction. Out of this research have come some of the most significant advances in the theory and practice of education in the entire history of education. These advances are truly a product of the 20th century. They draw upon recent discoveries in the psychology of learning. To these they apply many of the resources available through modern technology—closed circuit television, radio, films, languages, and listening laboratories, programed instruction, self-instruction laboratories, and video tapes—to create new approaches to education which have advantages not found in more conventional methods and which can meet many of the problems created by the need to improve quality at the same time that we are increasing quantity.

One of the major problems facing higher education today is a shortage of good teachers. Intelligent use of the new media of communication can enhance the effectiveness of a good teacher. For instance, experience has shown that if courses are organized so that one or two meetings per week are held in large groups and one or two in small groups, an experienced professor can conduct the large group courses and reach many more students than if he taught only small courses. Use of the new media can make the large group lecture a very effective method of instruction. This phase of the course serves both to impart information to the student and to provide incentive for

further study by the student on his own. Films and demonstrations employing the new media can further this purpose admirably. In the small group sessions, and especially in science courses, self-instruction laboratories, programed instruction, and other forms of the new media can free teachers from much mechanical and unimportant work so that he can spend more time with individual students. In this way the teacher can give closer attention to the varying needs and abilities of his students on a more personal basis. This is of vital importance in education today. The complaint most frequently voiced by college students is that they never get to know their teachers and that they feel like faceless cogs in one of the gears of an impersonal educational factory. These new media of communication are not intended to replace the teacher but rather to enhance his effectiveness and to give him more time to devote to his students.

Many of our more affluent universities are making intensive use of the new media. The U.S. Air Force Academy has a magnificent instruction-centered closed circuit TV center. Many of our richer colleges have language laboratories. The University of Illinois has a computer-controlled teaching system. However, while our top universities are going ahead, many of our less affluent institutions do not have sufficient financial resources to make use of the new media.

A study conducted by the University of North Carolina found the following major deterrents to the use of new media:

First. Limited financial support for purchase or rental of materials.

Second. Suitable materials not available for college use.

Third. Lack of information on college materials.

Fourth. Lack of technical assistance for preparing materials.

Fifth. Lack of time to locate good materials.

Sixth. Lack of adequate facilities for showing materials.

Seventh. Films, equipment, or operators unavailable when needed. New Media in Higher Education, page 140.

THE ECONOMICS OF INSTRUCTIONAL MEDIA IN HIGHER EDUCATION

Media is expensive to purchase. This much is clear. In the few large institutions with fully equipped media resources, expenditures average \$12 to \$15 per student.

Purdue University has one of the outstanding examples of effective use of new media to be found anywhere in the country. It is a biology course taught by Prof. Samuel Postlethwait, who testified before our subcommittee in the hearings on the higher education bill. His audio tutorial system, involving a variety of equipment, specimens, self-instruction, laboratory experiments, and self-teaching sequences of study, experimentation, and testing, required the purchase of \$25,000 of equipment. With this expenditure, however, Dr. Postlethwait was able to reduce overall instructional costs from \$15 to \$12 per student credit hour, to accommodate 120 more students per year, to teach 50 percent more content, and to achieve significantly higher levels of student achievement. At this point it is important to keep in mind that the primary factor in the success of this course was Dr. Postlethwait's outstanding skills as a teacher, not the media itself. The teacher remains the most important factor. The use of the new media of communication are only adjuncts to enable the teacher to be more effective. * * *

Mr. YARBOROUGH. Mr. President, Congress has seen the wisdom of aiding elementary and secondary schools to strengthen instruction by purchasing equipment of the type here discussed. Title III of the National Defense Education Act authorized matching grants for this purpose. This provision has had a salutary effect upon elementary and

secondary education. A report on the National Defense Education Act issued in November 1964, by the Subcommittee on Education of the Senate Committee on Labor and Public Welfare, describes the experience under title III in the following terms:

"The second largest single amount—27 percent of total National Defense Education Act expenditures—has gone to strengthen subject areas of critical importance in today's rapidly changing scientific and technological climate. More than \$290 million went to States and territories on a 50-50 matching basis to improve instruction in science, mathematics, and modern foreign languages in public elementary and secondary schools. For the same purpose, private elementary and secondary schools received loans for approximately \$3.6 million. In 1958, there were 46 language laboratories; today there are almost 7,000. Some 280,000 local public school projects have been approved for acquisition or remodeling of equipment and materials for instruction in these subjects. Before the National Defense Education Act, States employed at the State agency level only 33 specialist supervisors; now they employ 227."

The Elementary and Secondary Education Act places renewed emphasis upon modern techniques of instruction. The Senate committee report acknowledges that, in meeting the needs of culturally deprived children, "new techniques of instruction and educational innovations offer promise of increasing the educational opportunity of elementary and secondary students." The committee noted:

"Hopefully their use will broaden as a result of this legislation."

Thus, we are caught in a paradox. We are providing for increased use of new media of communication in teaching at the elementary and secondary level, but we have taken no such action with regard to higher education. The Senate recognized this inconsistency in the 87th Congress, when this body passed S. 2345, a bill to make applicable title III of the National Defense Education Act to colleges. Unfortunately, the House Rules Committee refused to grant a rule; this blocked a conference and the measure died. Nevertheless, the Senate legislative record provides clear justification for such a program.

Senate Report No. 652, 87th Congress, 1st session, described the terms of this proposal:

"To provide assistance to colleges and universities comparable with that now available to elementary and secondary schools; i.e., matching grants for publicly controlled institutions and loans for other nonprofit institutions for the purchase of teaching materials, and for minor remodeling of space therefor, equipment in the fields of mathematics, science, and modern foreign languages, technical courses, and physical fitness."

In its report, the Senate committee recognized the relationship between educational improvement and the availability of instructional techniques that are modern. It sought to apply this experience to higher education.

"Hearings on the National Defense Education Act held in 1958 brought out clearly the needs of the colleges and universities for teaching equipment in selected fields. A more recent survey conducted by professional societies for the National Science Foundation confirms the inadequacies of college and university laboratories. Clearly, recent and rapid advances in our knowledge of science threaten to render many existing teaching materials and equipment obsolete. Through activities undertaken under the authority of title VI of this act, major changes are taking place in the teaching of modern foreign languages. The availability of Federal funds for the purchase of teaching equipment would do much to remedy a situation which

is already unsatisfactory and promises to deteriorate further."

Now that Congress is considering a higher education bill, the opportunity is before us once again to end this curious disparity. Pursuant to this purpose, I am introducing an amendment for myself and Senator CLARK, Senator MORSE, Senator PROUTY, and Senator RANDOLPH.

All the cosponsors of this amendment are members of the Education Subcommittee, who, having heard testimony from distinguished educators as to the need for aid to higher education for the purchase of equipment, and who, having devoted considerable time to studying the feasibility of such a provision, are convinced that the higher education bill should be amended to include such authorization.

Part A of my amendment authorizes the Commissioner of Education to make matching grants to institutions of higher education for the acquisition of laboratory and other special equipment, including audiovisual materials and equipment for classrooms or audiovisual centers, and printed and published materials—other than textbooks—for classrooms or libraries suitable for use in providing education in science, mathematics, foreign languages, history, geography, government, English, or education at the undergraduate level in institutions of higher education. This part also authorizes funds for planning studies related to the use of closed circuit television in the above fields in institutions of higher education.

Administration at the State level would be by State commissions. Presumably this commission would be the same agency which administers the Higher Education Facilities Construction Act at the State level, but it can be another agency. The purpose of assigning administration to a State agency is to authorize and encourage long-range State plans for the development and coordination activity in this area.

Part B of the amendment authorizes funds to support short-term or regular session workshops for individuals who are engaged in or preparing to engage in, the use of educational media equipment in teaching in institutions of higher education. This is an integral part of the proposal, since the equipment by itself is worthless. It is merely an aid to the teacher. There is precedent for this provision in title XI of the National Defense Education Act. However, workshops in that act are limited to teachers of teachers and of disadvantaged youth, library personnel, and media specialists all at the elementary and secondary level. The provision in my amendment covers all teachers and media specialists in institutions of higher education.

Mr. YARBOROUGH. The second question is about—

Mrs. NEUBERGER. About the curriculum material, but I think the Senator has answered it. I was afraid that somebody might decide that curriculum materials meant only books, but the Senator from Texas has explained very well to me that he understands that all the teaching tools of modern teaching will be included.

Mr. YARBOROUGH. It is the intent of the committee to provide funds for equipment to help the faculty members within a college or a university do a better job of teaching their students. The schools will be supplied with the equipment necessary to teach the students.

To the extent that a university needs the equipment necessary to produce the materials required to meet the needs of its faculty, these funds could be used for

production equipment. It is not intended that a school should become a professional film company, filming motion pictures to compete with the private sector of the motion picture industry. The intent is to provide the simpler and less elaborate types of equipment needed to produce transparencies, slides, and similar items. Other equipment for instructional materials, such as equipment needed to store, maintain, and circulate instructional materials would also be included. Generally, professional type motion picture equipment would not be included.

The committee had a demonstration by representatives from the school district of San Diego, Calif., one of the most advanced in the country, on the use of these materials. They have a central laboratory for the storing of films. They have motion picture projectors, slide projectors, and different kinds of machines assigned to classes on a rotating basis, and the various teachers are themselves trained to use multiple types of equipment to teach.

The whole thrust of the proposed legislation is toward the less affluent, needy colleges which cannot now buy the equipment. They need it both for everyday classroom instruction and to teach the students how to use it.

Mr. MORSE. Has the Senator called up his amendment?

Mr. YARBOROUGH. Mr. President, I call up my amendment.

I ask unanimous consent that the amendment not be read, but that it be printed in the RECORD. Then I shall make an explanatory statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 132, lines 16 and 17, strike out "except that (i)" and insert in lieu thereof "except (i) as provided in clause (C) below, (ii) that".

On page 132, line 19, strike out "(ii)" and insert in lieu thereof "(iii) that".

On page 133, between lines 2 and 3, insert the following:

"(C) provides that periodic installments of principal need not be paid, but interest shall accrue and be paid, during any period (i) during which the borrower is pursuing a full-time course of study at an institution of higher education or at a comparable institution outside the States approved for this purpose by the Commissioner, (ii) not in excess of three years, during which the borrower is a member of the Armed Forces of the United States, or (iii) not in excess of three years during which the borrower is in service as a volunteer under the Peace Corps Act, and any such period shall not be included in determining the ten year period or the fifteen year period provided in clause (B) above."

On page 133, line 3, strike out "(C)" and insert in lieu thereof "(D)".

On page 133, line 18, strike out "(D)" and insert in lieu thereof "(E)".

On page 133, line 22, strike out "(E)" and insert in lieu thereof "(F)".

On page 134, line 1, strike out "(F)" and insert in lieu thereof "(G)".

Mr. YARBOROUGH. Mr. President, the amendment provides that when a student has secured a loan through the private sector of our economy, from a private bank or other institution, the Government will advance funds, nor-

mally to a State or private nonprofit institution, to insure the loan and interest thereon to a maximum allowable interest of 6 percent. If he can borrow the money at less interest, well and good, but the maximum allowable will be 6 percent, 3 percent to be paid by the Government and 3 percent by the student.

Without this amendment, if a student is called to the armed services while he is in school, he will have to pay the installments on his loan while he is in the armed service. The amendment provides that during the first 3 years, the principal of the loan is not collectable, but that the installments will be payable during his military service.

Mr. MORSE. Can the Senator assure me that there is no provision in the House version of the bill that covers the Senator's amendment?

Mr. YARBOROUGH. Staff members who have been investigating that question assure us that the House bill contains no such provision now. The bill contains 214 pages. The question raised by the Senator from Oregon was called to my attention, for the first time this afternoon on the floor of the Senate. Frankly, although I have glanced through the report, I have not been able to read all of it in that period of time.

Mr. JAVITS. Mr. President, will the Senator yield to me?

Mr. YARBOROUGH. I yield to the Senator from New York.

Mr. JAVITS. The Senator's amendment sounds to me like an amendment we ought to consider.

Mr. YARBOROUGH. It was intended to have been included in the bill.

Mr. MORSE. I will take it to conference, unless I am getting locked in. I want to be sure it is a conference matter, not a settled matter. With the understanding that is a conference matter, I am willing to agree to take it to conference.

Mr. YARBOROUGH. I shall appreciate such action by the distinguished Senator from Oregon.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Texas.

The amendment was agreed to.

LIBRARY PROGRAM

Mr. YARBOROUGH. The facilities of the Nation's colleges are further upgraded by other parts of the bill. The Higher Education Facilities Act is improved by a broadening of the categories of construction permissible. For fiscal year 1966, the authorization for 4-year colleges is increased by \$100 million and the authorization for graduate schools by \$60 million.

One of the most necessary parts of the bill is the library program, title II. In terms of the number of volumes, adequacy of staff, and operating expenditures, the 4-year and 2-year colleges of America have a total dollar deficiency in their libraries of \$620,394,074. The bill provides for a 5-year expenditure of \$50 million a year to buy books for colleges, and to train librarians both in library usage and in research.

The Nation's developing institutions, those colleges which are making efforts at improvement, but are too poor for good instruction, are given help. For fiscal year 1966 we provide \$25 million for 4-year colleges, an equal amount for 2-year colleges, and \$5 million to be placed in either category at the discretion of the Commissioner of Education. This is to aid weak colleges in improving their teaching and their service.

The Higher Education Act reaches into almost every facet of American higher education. This is education for the sake of education, not for the sake of some governmental need, such as has been the case sometimes in the past.

EXTENSION SERVICES

One other noteworthy section of the bill deserves mention. Title I authorizes \$25 million for fiscal year 1966 for college and university extension and continuing education. This title extends university extension services, tried and proven in the area of urban problems. This new program offers great promise.

During the 1930's, a great battle of ideas stirred American higher education. John Dewey was the chief spokesman for the side that said higher education should be involved in the real world. As applied to American higher education, his philosophy stressed the empirical and the experimental.

On the other side was Robert Hutchins of the University of Chicago. He stressed intellectual excellence, which he felt could best be gained by studying the wisdom of the ages; metaphysics was at the heart of his philosophy.

There is something of both philosophies in this bill. The extension title extends American higher education into what should come to be a great involvement in the problems of urban America. Other parts of the bill, such as the library title, increase the opportunities for our students to learn of the wisdom of the ages. This is as it should be. There is a place in education for involvement with the everyday world. But there should be opportunity for detachment and reflection also.

And finally, Mr. President, to illustrate what this bill will actually mean for the people of a State, I would like to indicate the benefits which the higher educational system of my State will receive. Needy Texas students will receive \$4,162,430 in scholarship funds. To further finance their education, they will benefit from \$7,670,763 in college work-study funds, by which they can get a part-time job while they attend school. For the purchase of equipment to improve the quality of instruction in Texas schools, \$3,986,698 is provided.

Mr. PROUTY obtained the floor.

Mr. JAVITS. Mr. President, I ask unanimous consent that the Senator from Vermont may yield to me for the purpose of proposing an amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. I call up amendment No. 429, and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

CHANGE IN INTEREST RATE FOR TITLE III LOANS

SEC. 703. (a) Subsection (b) of section 303 of the Higher Education Facilities Act of 1963 is amended by inserting "(1)" after "shall bear interest at", and by inserting before the period at the end thereof a comma and the following: "or (2) the rate of 3 per centum per annum, whichever is the lesser".

(b) The amendment made by this section shall be applicable only with respect to loans made after the date of enactment of this Act.

Mr. JAVITS. Mr. President, I call up my amendment No. 429. The purpose of this amendment is to bring the interest rate on loans for academic facilities under title III of the Higher Education Facilities Act—Public Law 88-204—in line with that which now obtains under the parallel program of college housing loans. As you know, in the Housing Act of 1965—Public Law 89-117—we reduced the rate on college housing loans from 3 $\frac{7}{8}$ to 3 percent. It is even more important that the rate on loans for classrooms, libraries, and laboratories be similarly reduced. Academic facilities are not self-liquidating as are dormitories and dining halls for which board and room charges are made. To liquidate a classroom loan the repayment must come from operating funds, tuition increases or special fees, and thus, ultimately from the students themselves. This makes it mandatory that the interest rate be as low as possible.

The first 7 months of operation under title III of the academic facilities program, during which loans in the amount of \$107 million were made to 133 institutions, indicated that the great majority of the loans went to private institutions and that our public institutions found it of little value because of the relatively high interest rate. Some States have passed enabling legislation to permit their State institutions to borrow under the program but have been hampered in developing economically feasible loans because of the interest rate.

In some cases there are combined projects in which the lower floors are financed under the academic facilities program at 3 $\frac{7}{8}$ percent and the upper floors for dormitory purposes are financed under the college housing program, at 3 percent. Obviously, the same rate should apply to both parts of the facility.

The difference between 3 and 3 $\frac{7}{8}$ percent, small as it may appear to be, can easily make the difference between an economically feasible loan and one which can be a heavy burden on a hard-pressed college or university. For example, on a loan of \$800,000, which is the average size of a classroom loan, the annual repayments of principal and interest over a 30-year period amount to \$40,816 at 3 percent, whereas at 3 $\frac{7}{8}$ percent they amount to \$45,568. You can well imagine that most of our colleges and universities have many places where they could use \$4,752 annually, or \$142,560 over the 30-year period, rather than to expend it in interest payments.

If the academic facilities loan program under title III is to be of maximum usefulness which we intended it to be, and as the college housing program has

been over the years, these loans should carry the same interest rate.

The bill as it came from the House of Representatives does not have a similar provision. The only purpose of my amendment is to equalize the 3-percent interest rate now provided for college housing loans, to wit, on dormitories, with the interest rate on college classrooms. If anything, the case is stronger for college classrooms than it is for dormitories. The amendment will not be locked into the bill; I just want to get it before the conference.

Mr. MORSE. I am willing to take the amendment to conference. I ask that the Senate adopt it.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York.

The amendment was agreed to.

Mr. PROUTY. Mr. President—

Mr. MORSE. Will the Senator from Vermont yield for a moment, so that the manager of the bill may explain the situation in which he finds himself? I had promised, some 20 minutes ago, to let the Senator from Connecticut [Mr. DODD] make a statement. I understand that he does not wish to offer his amendment, but desires to make a statement about it, and that he will take only a minute or two.

Mr. PROUTY. May I inquire how long the Senator from Connecticut will speak?

Mr. DODD. Three minutes.

Mr. PROUTY. I am missing a conference on the poverty bill now.

Mr. DODD. My remarks will not take 3 minutes.

Mr. President, I urgently ask the Senator from Oregon to read my amendment, although I do not propose to offer it. Neither shall I ask for a vote upon it. Although I shall withdraw it, I wish to have it appeared in the RECORD. It has to do with tax relief for parents of children in college.

I have offered a similar amendment for 11 years, both in the House and in the Senate. It contains a special feature which makes it different from that offered by the Senator from Indiana or my colleague from Connecticut [Mr. RIBICOFF], and it is this part, I think, which is the most important. It has to do with the giving of relief to students who have had to borrow money and who, in the years after graduation, should have some consideration.

I ask the Senator from Oregon to examine the amendment, and I know he will. I know that it cannot be adopted this year; but understanding the compassionate nature and the interest of the Senator in the advancement of education, I know he will take a good and serious look at it.

The purpose of this amendment is to provide a tax deduction for the higher education expenses of a taxpayer or his dependents up to a maximum amount of \$1,200 per student per year.

My amendment also provides a special relief provision for those who must borrow funds to pay their higher education expenses.

To the taxpayer who must borrow funds to pay higher education expenses, my amendment offers the option of deducting the amount of such expenses either in the year they are paid or in the year the loan is repaid. A parent or student will thus have the benefit of an income tax deduction during the years he needs it most—during the years the loan must be repaid.

I think it very appropriate to offer this amendment to the Higher Education Act. This bill emphasizes assistance to college students from low- and middle-income families. It provides scholarship grants, loan guarantees and subsidies to defray the interest payments on college-expense loans.

These provisions are laudable and necessary if every American child is to have the chance for the education his talents merit.

But this help does not go far enough. It only partially recognizes and alleviates the tremendous and increasing cost of college education for every American family. That rapidly spiraling cost is imposing an extraordinary burden on American families.

Between 1952 and 1964, the average cost of room, board, and tuition at private colleges increased by 86 percent, to \$2,049 a year.

The cost of attending State colleges rose by 50 percent to \$1,044 a year, during the same period. And comparable increases are projected for the next decade.

For over 10 years, as a Member of the House and of the Senate, I have tried to focus attention on the need for fairer tax treatment of those who are paying these high costs of education.

And during each Congress in which I have served, I have introduced legislation of my own to extend tax relief to parents and to students who are putting themselves through school.

Congress has long recognized that the expenses of doing business, the expenses of producing income, and certain expenses necessarily connected with employment should be deductible from one's gross income. Recently we extended such tax relief to the expenses of moving to a new locality for employment. But we have yet to give fair treatment to the expenses required to prepare a person through a higher education to earn an income.

And tax relief for higher education which does not deal with the borrowed debt aspect of education costs will fall short of helping many who need help most.

It is little or no help to a student who pays his own way but has little taxable income that his tuition is tax deductible. But he will need tax relief when he graduates with a burden of debt on his shoulders which he must pay back during his first and perhaps lowest earning years.

Likewise, parents who sacrifice throughout the youth of their children to finance their higher education should not have to face both the loss of income tax exemptions and the unrelieved repayment of educational loans when those children finally graduate.

The need for higher education tax relief containing such a provision is urgent. More and more families are being forced to invade their life savings and even to mortgage their future by borrowing more than \$200 million from Federal, State, and commercial institutions this year alone.

Mr. President, I have no illusions about the possibility of my amendment being accepted by the Senate today.

Many other Senators, most prominent among whom has been my distinguished colleague from Connecticut, Senator RIBICOFF, have introduced legislation to grant tax relief for college expenses and I have joined in these efforts.

Time after time we have offered bills and amendments like the one I offer today only to be put off with the promise that hearings will be held on the question next session. And time after time such hearings have not been held.

Whether or not the amendment is accepted by the Senate today, I intend to continue to seek tax relief for the expenses of college education until the Congress finally enacts this just and necessary legislation.

Mr. President, I shall not ask for a rollcall vote on this amendment.

As I indicated to my able colleague from Connecticut [Mr. RIBICOFF] earlier today, we are in agreement that the orderly progress of the higher education bill should not be put in jeopardy.

But we should continue to focus attention on this problem of spiraling education costs and this tax deduction or tax credit approach to helping lower- and middle-income families meet these expenses.

It is for this reason that I have brought up my amendment today. I expect to continue to do so in the future, until some satisfactory steps are taken.

Mr. MORSE. I appreciate very much the parliamentary situation in which the Senator from Connecticut finds himself. I spoke with the Senator's colleague [Mr. RIBICOFF] earlier this afternoon about this amendment, and it is my understanding that the Senators from Connecticut are not going to press for passage of this bill, but they do intend to press for it at the beginning of the next term of this Congress.

As the Senator knows, to date I have remained unconvinced. I am unconvinced today, and I would have to urge that the Senate reject this amendment. My views are pretty well set forth in a memorandum I have from the Department of the Treasury, and I ask unanimous consent that that memorandum be set forth at this point in my remarks.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF THE TREASURY.

Washington, D.C., September 2, 1965.

HON. LISTER HILL,
Chairman, Labor and Public Welfare Committee, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in reply to your request for the attitude of the Treasury Department to the bill, S. 12, introduced by Senators RIBICOFF and DOMINICK as well as others. It is my understanding that this bill will be introduced as a possible amendment to the higher education bill.

The Treasury Department is strongly opposed to this legislation.

At levels of college enrollment and tuition expected for the school year 1965-66, this amendment would involve a revenue loss of \$1 billion. This money would go almost exclusively to those families who have sufficient resources in the first place to send their children to college, and thus it makes a negligible contribution to getting more children to college.

Briefly, the bill S. 12 provides a graduated credit for college tuition, fees, books, and supplies. The credit is 75 percent on the first \$200, 25 percent on the next \$300, and 10 percent on the next \$1,000, with a maximum credit of \$325. The credit is reduced by \$1 for each \$100 of income in excess of \$25,000. No credit is allowed for taxpayers with income in excess of \$57,500.

The credit is available with respect to payments for education above the 12th grade for the taxpayer or for any other individual whether or not a dependent.

The expenses of education used in determining the credit are reduced by amounts received as a scholarship, fellowship, or as an education or training allowance. The credit applies to expenses for higher education for degree candidates for credit courses, and for nondegree candidates, the courses must be necessary to meet the requirements of an identified educational, professional, or vocational objective. If the credit exceeds the amount of tax liability, no refund is allowed.

The most serious problem in higher education today is the large percentage of capable students who do not enter college or are forced to leave college because of inadequate financial resources. If a child graduating from high school is in the top quarter of his class with respect to ability, his chances of not going on to college are four times greater if his family's income is under \$3,000 than it would be if his family's income is over \$12,000. This is the real problem of college costs—the tragic waste of talent.

Among families that do send their children to college, the credit works unfairly. No credit is allowed if the family or the student has no tax liability. In any case the credit is limited to the size of the tax liability. For a family with two children in college, the tax liability is too low to use the full potential credit for incomes up to \$7,000.

The credit is also larger for families that can send their children to high tuition colleges. The maximum credit of \$325 for a single child is enjoyed only when the cost of tuition, fees, books, and supplies comes to \$1,500. True, the credit is cut back for some very high income-tax payers over \$25,000 but this represents only 2 percent of taxable joint returns. Even at \$50,000, the credit is \$75 per student, which is the same as the maximum credit available to a married couple with two children and \$3,500 of income.

The assistance given to students in public institutions (which students of lower-income families generally attend) is limited by the lower tuition charges of these institutions, and the maximum credit would not be available. The credit for a student in a median-cost private institution at 1963-64 tuition levels would be 50 percent greater than that for a student at a median cost public institution.

For these reasons a tax credit approach to aiding college students may aptly be described as an upside-down scholarship. The alternative approach to higher education assistance embodied in the bills adopted by the House and by the Senate Committees on Education and Labor, both bills fully supported by the administration, emphasizes higher education aid through assistance to low-income students, appropriately supplemented to the assistance to institutions to help meet the costs of increased enrollments.

Some proponents of the credit have argued that the real purpose is to aid colleges since they will raise tuition by about the amount of the credit. If this occurs, and it would seem most likely, the consequences of this increased tuition should be recognized. If tuition increases resulting from the credit, then, to this extent, the credit doesn't relieve parents. Further, parents whose income is too low to benefit from the credit, because of inadequate tax liability, would find it even harder to meet tuition costs. Finally, the tuition increases would be related to the size of the credit and would thus be of most benefit to schools with presently high tuition charges.

The Bureau of the Budget has advised the Treasury Department that there is no objection from the standpoint of the administration's program to the presentation of this statement and that enactment of S. 12 would be inconsistent with the administration's objectives.

Sincerely yours,

JOSEPH W. BARR,
Acting Secretary.

Mr. MORSE. If the Senator from Connecticut would be so kind as not to offer his amendment at this time, but serve notice of his plans to do so in the next session of Congress, it would be very much appreciated.

The PRESIDING OFFICER. Without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

On page 172, between lines 9 and 10, insert the following:

"Part E—Tax deduction for higher education expenses"

"Section 462. (a) Part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to additional itemized deductions for individuals) is amended by renumbering section 218 as 219 and by inserting after section 217 the following new section:

"SEC. 218. EXPENSES OF HIGHER EDUCATION.

"(a) ALLOWANCE OF DEDUCTION.—

"(1) IN GENERAL.—At the election of the taxpayer, there shall be allowed as a deduction the expenses of higher education paid by him during the taxable year for himself, his spouse, or any dependent with respect to whom he is entitled to an exemption under section 151(e).

"(2) LIMITATION.—The deduction under paragraph (1) for any taxable year for expenses of higher education of any one individual shall not exceed \$1,200.

"(b) REPAYMENT OF LOANS.—

"(1) IN GENERAL.—At the election of the taxpayer, there shall be allowed as a deduction the amounts paid by him during the taxable year in repayment of one or more higher education loans which were used by him to pay during any prior taxable year expenses of higher education for himself, his spouse, or any dependent with respect to whom he was entitled to an exemption under section 151(e) for the taxable year in which such expenses were paid.

"(2) LIMITATION.—The deduction under paragraph (1) for any taxable year for repayment of higher education loans used to pay expenses of higher education of any one individual shall not exceed—

"(A) \$1,200, reduced by

"(B) the amount (if any) allowed as a deduction under subsection (a) for expenses of higher education of such individual for the taxable year in which such expenses were paid.

"(c) DEFINITIONS.—For purposes of this section—

"(1) INSTITUTION OF HIGHER EDUCATION.—The term "institution of higher education" has the meaning assigned to it by section

103(b) of the National Defense Education Act of 1958 (20 U.S.C. 403(b)).

"(2) EXPENSES OF HIGHER EDUCATION.—The term "expenses of higher education" means only amounts paid for—

"(A) tuition and fees required for enrollment or attendance at an institution of higher education,

"(B) books, periodicals, supplies, and equipment required for courses of instruction at an institution of higher education, and

"(C) meals and lodging while attending an institution of higher education away from home, but only to the extent the amounts paid exceed the cost of meals and lodging at home as determined under regulations prescribed by the Secretary or his delegate (which may include formulas or other methods for determining the cost of meals and lodging at home).

"(3) HIGHER EDUCATION LOANS.—The term "higher education loan" means a loan made to the taxpayer by—

"(A) an institution of higher education,

"(B) a bank (as defined in section 581),

"(C) the United States, or an agency or instrumentality thereof,

"(D) a State or political subdivision of a State, or an agency or instrumentality thereof, or

"(E) an organization described in section 501(c) which is exempt from taxation under section 501(a),

but only to the extent the proceeds of such loan were used by the taxpayer to pay expenses of higher education for himself, his spouse, or a dependent with respect to whom he is entitled to an exemption under section 151(e).

"(d) SPECIAL RULES.—

"(1) ALLOCATION AMONG TAXPAYERS.—If expenses of higher education of an individual are paid by more than one taxpayer, the deductions under subsections (a) and (b) shall be allowed to such taxpayers on a pro rata basis under regulations prescribed by the Secretary or his delegate.

"(2) SPOUSE.—Deduction shall be allowed under subsections (a) and (b) for expenses of higher education of the taxpayer's spouse only if the taxpayer—

"(A) is entitled to an exemption for his spouse under section 151(b), or

"(B) files a joint return with his spouse under section 6013.

"(3) SCHOLARSHIPS AND VETERANS' BENEFITS.—The expenses of higher education of an individual during any period shall, for purposes of subsections (a) and (b), be reduced by any amounts received in cash by such individual during such period as—

"(A) a scholarship or fellowship grant within the meaning of section 117(a)(1) which under section 117 is not includible in gross income, or

"(B) educational assistance allowance under chapter 35 of title 38 of the United States Code.

"(e) TRADE OF BUSINESS EXPENSES.—This section shall not apply to any expense which is allowable as a deduction under section 162.

"(f) REGULATIONS.—The Secretary or his delegate shall prescribe such regulations as may be necessary to carry out the purposes of this section.

"(b) The table of sections for such part VII is amended by striking out the last item and inserting in lieu thereof the following:

"SEC. 218. Expenses of higher education

"SEC. 219. Cross references."

"SEC. 2. Section 62 of the Internal Revenue Code of 1954 (relating to definition of adjusted gross income) is amended by inserting under paragraph (8) the following new paragraph:

"(9) EXPENSES OF HIGHER EDUCATION.—The deduction allowed by section 218."

"SEC. 3. The amendments made by this Act shall apply to taxable years beginning after the date of the enactment of this Act."

Mr. DODD. Let me say that I believe the Senator from Oregon has handled the arduous work on this bill in a masterly way.

The Senator from Oregon is one of the great Members of this body. He deserves great credit for his work on this bill.

Mr. MORSE. We were able to get this proposed legislation before the Senate only because of the cooperation I received from such men as the Senator from Connecticut [Mr. Dodd].

Mr. PROUTY. Mr. President, I yield to the Senator from North Dakota [Mr. Young].

Mr. YOUNG of North Dakota. Mr. President, inasmuch as it may not be possible for me to be in the Chamber to vote on the pending bill, I should like the RECORD to show if I could be here at that time I would vote for the bill on passage.

Mr. PROUTY. Mr. President, I am glad to yield to the Senator from Colorado [Mr. Dominick].

Mr. DOMINICK. Mr. President, I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The legislative clerk proceeded to state the amendment.

Mr. DOMINICK. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and the amendment will be printed in the RECORD at this point.

The amendment offered by the Senator from Colorado [Mr. Dominick] is as follows:

On page 123, between lines 23 and 24, insert the following:

"(b) (1) An institution, which has in effect an agreement for Federal capital contributions for a student loan fund pursuant to title II of the National Defense Education Act of 1958, may use, as an additional Federal capital contribution for the purposes of such loan fund, not to exceed 25 per centum of the funds paid to it for any fiscal year ending prior to July 1, 1970, for the purpose set forth in section 401(b)(1)(A). The requirement in section 204(2)(B) of such Act shall not apply to such a Federal capital contribution.

"(2) For the purpose of making payments from amounts appropriated pursuant to the second sentence of section 401(b), any institution electing for any fiscal year to use an amount of its payment as a Federal capital contribution pursuant to paragraph (1) shall be paid an equal amount for each of the succeeding three fiscal years from such amounts appropriated pursuant to such second sentence, if such amount paid to the institution is used by such institution as such a Federal capital contribution."

On page 123, line 24, strike out "(b)" and insert in lieu thereof "(c)".

Mr. DOMINICK. Mr. President, I believe that my amendment has been explained to the Senator in charge of the bill. What it would do would be to maintain the same scholarship authorization and the same loan authorization, but give the individual institution which would get the scholarship funds the right to take up to 25 percent of the scholarship funds and use it in their loan program, if they so desired. This would give

flexibility to the institution for differing requirements, which would be helpful.

I hope, therefore, that the Senator in charge of the bill will accept the amendment.

Mr. MORSE. Let me say to the Senator from Colorado that if we agree to take his amendment to conference—and I wish to take it to conference—it will be in conference because there is no corresponding language in the House bill, so that the amendment would be locked in the bill.

Mr. DOMINICK. So far as I know, there is no such language in the House bill. It is not intended to be locked in.

Mr. MORSE. Mr. President, I am agreeable to taking the amendment to conference, and I therefore hope that the Senate will adopt it.

Mr. DOMINICK. Mr. President, H.R. 9567, the proposed Higher Education Act of 1965, is a prime example of what bipartisan effort on an important piece of legislation can achieve. The Education Subcommittee of the Senate Committee on Labor and Public Welfare, on which I serve, has spent many, many days listening to testimony and in executive session hammering out a useful and workable bill. The bill which is before us has come a long way and has undergone many major changes since we first started working on it. I am pleased to recommend it to the Senate.

H.R. 9567 provides a striking contrast to the other major piece of education legislation, the Primary and Secondary Education Act, which we debated on the floor just a few short months ago. My colleagues will recall in connection with the latter bill we were not allowed to change a title, section, subsection, period or comma. We were told that we had to swallow it just as it was presented to us. No constructive changes were entertained or allowed. As a result, many of us felt that we could not in good conscience vote for the bill. We were not surprised when, immediately after passage, the House Education and Labor Committee began hearings in order to take care of the defects, shortcomings, and oversights contained in the Primary and Secondary Education Act.

Many constructive and useful changes have been made in H.R. 9567. The Republicans on the committee formulated many of these. In the supplemental views to the committee report we have listed many of these changes. For instance, we were able to incorporate language to streamline and reform National Defense Education Act loans' procedures and to provide a program for recognition of outstanding students by making available an additional scholarship grant for those students who rank in the upper half of their class. At the urging of the Republicans we were able to incorporate provisions to preserve and encourage the role of State and private, nonprofit organizations in guaranteeing low-interest student loans. This is a key title in the bill and was quite unacceptable and unworkable in its original form.

Although this bill will be a great step forward in strengthening higher education, we still must move forward in providing tax credits for the expenses of

higher education. In a sense the approach taken by this bill is only a half step insolving the vexing problems facing our young people who wish to obtain a college education. I think that we will be able to move forward next year with S. 12, the tax credit legislation. It has wide bipartisan support and will provide the necessary complement to H.R. 9567.

In conclusion, Mr. President, I again wish to emphasize that we are seeing the Senate in its proper constitutional and legislative role today in passing this bill. We have been able to work our legislative will and the wide, bipartisan support for the bill has resulted. I hope that this will set the pattern for education legislation in the future.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Colorado.

The amendment was agreed to.

Mr. PROUTY. Mr. President, I yield to the Senator from Pennsylvania [Mr. CLARK].

Mr. CLARK. I thank the Senator from Vermont for his courtesy in yielding to me.

Mr. President, I send to the desk a noncontroversial amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. The Senator from Pennsylvania proposes an amendment, on page 156, line 23, immediately after the comma insert the following: "an agency or instrumentality of a State."

Mr. CLARK. Mr. President, the purpose of the amendment is to qualify State agencies which are not themselves educational institutions for Federal insurance certificates when they make a direct loan, as distinct from guaranteeing a loan, for educational purposes.

The Pennsylvania Higher Education Assistance Agency is empowered by law to make such direct loans and several other States—New Hampshire, North Carolina, North Dakota, Virginia, Wisconsin, and Wyoming—also have programs of direct loans to students by State agencies.

This amendment would conform the Senate bill to the definition in the bill as passed by the House.

Mr. President, I ask my friend the distinguished Senator from Oregon [Mr. MORSE] whether he would be willing to accept this amendment.

Mr. MORSE. Mr. President, I believe that the Senator from Pennsylvania will agree with me that it was our understanding that that was the definition, anyway.

However, I am perfectly willing to take the amendment to conference, and to make it perfectly clear that that is what we intended.

I ask the Senate to adopt the amendment of the Senator from Pennsylvania.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Pennsylvania [Mr. CLARK].

The amendment was agreed to.

Mr. CLARK. I thank the Senator from Oregon [Mr. MORSE], and also the

Senator from Vermont [Mr. PROUTY] for his unfailing courtesy in yielding to me.

Mr. PROUTY. Mr. President, one of the most heartening things I have witnessed in my 15 years in Washington has been the increasingly active and bipartisan congressional interest in matters pertaining to our Nation's schools.

This interest and the enactments which have sprung from it, offer, in my opinion, eloquent testimony to the discerning leadership of the distinguished senior Senator from Oregon who serves as chairman of the Senate Education Subcommittee.

He has delved beneath the surface of every day trivia and he has grasped the great truth that, to a republic, no issue can be of greater concern than the education of its people. No one has done more in this field than my distinguished friend, the Senator from Oregon [Mr. MORSE].

As ranking Republican on the Education Subcommittee, I have joined with the Senator from Oregon in a spirit devoid of partisanship, and out of an atmosphere of cooperation has come useful and constructive Federal legislation that will contribute to the improvement of American education without destroying its vitality by heavyhanded Federal domination.

We have been guided by the truth voiced by Justin Morrill nearly a century ago, when he said:

In other lands and under other forms of government education may be optional, with us, it is indispensable. Untaught and unprincipled men may be governing, but they cannot govern.

The Labor and Public Welfare Committee then, has maintained a growing interest in American education. It has exercised a just Federal prerogative in establishing Federal assistance for the furtherance of American learning, with the help of each and every member of the committee, including particularly the chairman, the Senator from Alabama [Mr. HILL], and the ranking Republican, the Senator from New York [Mr. JAVITS].

The distinguished Senator from New York [Mr. JAVITS] has used his talents objectively to contribute mightily to the excellence of the bill now before the Senate. Educators and parents alike are deeply in his debt.

I should also like to pay tribute to the distinguished Senator from Colorado [Mr. DOMINICK], who is serving for the first time on the Subcommittee on Education. He has rendered yeoman service to all of us. His abilities, his conscientious attendance, and his knowledge of the subject have been of inestimable value to all of us on the committee.

Mr. President, looking backward, one wonders why, for so long, education was buried in the bog of partisan politics.

As a member of the minority, I shall always reserve the right to modify, amend, or oppose a given proposal. Yet even in opposing, one seeks not to destroy but to create new avenues toward common goals.

During my 6 years in the Senate, we have erected many landmarks on the

road to universal enlightenment. Among these I would include: the Mental Retardation Act, the Manpower Development and Training Act, the Vocational Education Act, the National Defense Education Act amendments, the Higher Education Facilities Act, the Health Professions Educational Assistance Act, the Library Services Act amendments, and the Elementary and Secondary Education Act of 1965.

In addition, I have from time to time brought forth bills and amendments of my own, some of which have been adopted and others of which I believe will yet be enacted into law.

Today, the American educational system is the finest and strongest in the world. Congress has done a commendable job but not a finished one.

Our colleges and universities are caught up in a whirlpool of problems they did not create but are bravely attempting to solve.

In the last decade, college enrollment has jumped from 2.4 to 4.8 million. The expected enrollment in 1970 is nearly 6.9 million students. It is anticipated that by 1973 this figure will climb to 8 million.

Since the end of World War II, the number of colleges and universities has increased from 866 to about 2,300.

Not too long ago, one could attend an institution of higher learning for a few hundred dollars a year. Those days are gone forever.

It now costs \$1,560 a year to attend the average public institution and \$2,370 to attend the average private college.

At these prices, college attendance is beyond the financial reach of the average family. Therefore, it is the purpose of the Higher Education Act of 1965—S. 600—the bill considered in committee, to make it possible for more youngsters to get in college and to improve the colleges they are to attend.

Leaving abstract ideas and philosophy aside, the college or university may be said to consist essentially of physical facilities, teachers, students, and books. These tangibles can be brought together and set into action only by aid of a fifth concrete product—money, creatively authorized and creatively used.

At present, the supply of students is great and growing—the supply of facilities, teachers, books, and money for student aid is short.

With the passage of the Higher Education Facilities Act of 1963, Congress moved to aid the Nation's institutions of higher education in making up one of these shortages. I am pleased to have been associated with the enactment of that measure. I am gratified by its results after but a single year of operation. During that year, a total of 601 grants and 133 loans were made to colleges and universities across the country for use in their building programs. I believe that we can look for continued progress under this act in the years ahead.

But there are still shortages of teachers, books, and money. S. 600, the Higher Education Act of 1965, would attack these problems in a variety of ways. Let us look for a moment at these problems and examine the ways in which the

provisions of this bill would attempt to ease this.

COLLEGE AND UNIVERSITY EXTENSION AND CONTINUING EDUCATION PROGRAMS

The first title of S. 600 will bolster college and university extension and continuing education programs.

Given the complex state of life today, particularly in America, the university must teach us not only how to make a living but how to live as well.

There is a need for more university extension and for fuller college and university participation in curing the ills to which an urban and rural America is heir.

To say that institutions of higher learning can do more in these areas is not to say that they have been doing nothing. Many institutions have had programs of adult extension education since the turn of the century.

Already there has been a great deal of research done under the Morrill Act in areas related to agriculture, such as irrigation, animal husbandry, and conservation.

The extension and continuing education programs now existing at our colleges and universities will be strengthened and broadened by title I of the bill so as to assist the people of each State in the solution of community problems such as poverty, housing, recreation, employment, youth opportunities, and health.

To further extension and continuing education the bill authorizes the appropriation of \$25 million for the present fiscal year and \$50 million for each of the next 4 fiscal years.

There are thousands of ways in which this new money can be used. With it, universities can be more responsive "to the popular demands and views of the society they serve."

If an adult wishes to go to school for professional retraining or refresher courses, institutions of higher learning will have funds to set up the program he needs.

The widow who must prepare to reenter the labor market will find new vistas of opportunity through the strengthening of continuing education made possible by the bill.

In a word, title I is based on the premise that the university is dedicated not simply to serve young men and women but to nourish, educate and, yes, to inspire society at large.

In my own State, the University of Vermont has, for some time, been actively engaged in a program of adult education. For those who could not come to the university, in many cases the university has come to them through courses taught in remote corners of the State.

This program has resulted from the Vermonter's traditional faith in and concern for education. For, despite the relative smallness of our number, we have ever held education in high regard and look to it as the chief guarantee of our cherished freedom.

As a great scholar once said:

If the State wishes to know how to benefit certain ones, how to eradicate

wheat rust, * * * how to build roads, how to eliminate the white pine blister, it will apply to the university for assistance.

Now, for "how to benefit certain ones," add "how to train civic leaders;" for "how to eradicate wheat rust," include "how to eradicate blighted housing;" beside of "how to build roads," put in "how to build effective job-training programs;" for "how to eliminate the white pine blister," join "how to eliminate youth crime." Then we will be getting some idea of the directions the programs under this title could take. Through this program, our Federal Government, our State governments, our colleges and our universities will join forces in a joint attempt to solve problems that are beyond the powers of any of those organs taken singly.

STRENGTHENING AND IMPROVING THE LIBRARIES OF OUR COLLEGES AND UNIVERSITIES

Title II of the bill is the title which would strengthen and improve the libraries of our colleges and universities.

When we think of libraries, I suppose most of us think first of books, then, perhaps, of buildings, and finally of librarians. Of course, the library is a combination of all three. It is a sad commentary, but the great majority of our college and university libraries are deficient in all three of these areas.

The funds authorized by the Higher Education Facilities Act of 1963 have already been put to work on campuses across the land in an attempt to bring the physical facilities facet of libraries up to standard. In fiscal 1965, 212 of 601 grants and 56 of 133 loans made under that act were used in library construction or remodeling projects.

But even if, fond hope, every college acquires the requisite library facilities, there will remain the material and personnel shortages. Many colleges and universities simply do not have the fiscal wherewithal to remedy the situation, though they are making a valiant effort.

During the school year 1963-64, institutions of higher learning made a 35-percent increase in library spending over the amount of money used for the 1961-62 school year.

Yet, in spite of this large increase, at least \$226 million is needed to provide our institutions of higher learning with the books required for present enrollments.

S. 600 begins to meet this deficiency by authorizing \$50 million for the purchase of books, periodicals, documents, magnetic tapes, phonograph records, and other related library material.

If the average library book cost \$5 in 1948, it would cost \$9.10 today—a rise of 82 percent. The average cost of a periodical subscription has increased 56 percent over the same period, and costs for cataloging and care of books have risen as well.

It is clear, then, in the light of these factors, that college and university libraries must have aid and increase their own spending radically just to keep from falling further behind.

Deficiencies in librarian training are as serious as those in library collections. The American Library Association states that the libraries of the Nation need

100,000 more professionally trained librarians to staff them adequately. But in 1963-64, only 3,240 library science degrees were awarded on all levels. Twenty-seven States have not a single accredited graduate school of library science.

Looking ahead to the future, S. 600 allows the Commissioner of Education to make grants to colleges and universities to assist them in training persons in librarianship; \$7.5 million is designated for this purpose in the current fiscal year and \$15 million for each of the next 4 fiscal years.

The Library of Congress which serves all institutions of higher learning is having a difficult time cataloging books. Pursuant to the provisions of the bill, there will be a centralized cataloging facility in the Library of Congress which will aid all libraries in bringing about a modern, efficient catalog card service.

STRENGTHENING DEVELOPING INSTITUTIONS

Title III of the proposed Higher Education Act of 1965 is concerned with strengthening developing institutions of higher learning through a number of possible programs, most of which are based on interinstitutional cooperation.

At the end of World War II, 22 percent of all the Americans aged 18 to 22 were enrolled in colleges. In 1964, 43 percent of the same group were so enrolled. This percentage, like the absolute number of college students, is increasing annually.

This great proliferation of people engaged in seeking higher education is, of course, most heartening, but it has also given rise to some problems. Many of the institutions that were operating when the great postwar tide began to rise were virtually inundated with students; their resources—physical and fiscal—were stretched to the snapping point. Rather than receding, that tide has ever continued to rise. Again, a great many new colleges have opened during the years since the war—146 in the last 3 years alone—and many of these, too, have found that their desire to serve was far greater than their resources.

We need every one of our 2,100 plus institutions of higher education and then some. But we also must do everything within our power as a people to see that these institutions are strong. It is plain that if 10 percent of our institutions are not accredited, and if 15 percent of the total number of new college teachers in a given year hold less than a master's degree, and 75 percent less than a doctorate, to take an actual example, then many of our institutions stand in dire need of strengthening.

Title III of the proposal under consideration would throw the fiscal resources of the National Government into the fray on the side of the hard-pressed, developing institutions. It would authorize \$50 million for fiscal 1966. The funds would be used to help the 4-year institutions and the junior and community colleges finance the planning, development, and carrying out of cooperative ventures between a developing institution and a more firmly established one, or between

the developing institution and some other organization or agency.

These cooperative arrangements could take a variety of forms. They might involve faculty—and student—exchange between the fledgling and the established institution; joint use of facilities, such as libraries and research laboratories; expanded programs of "cooperative education," featuring alternate periods of academic study and actual job experience; and so on.

There is ample evidence that such arrangements work, and also that many other types of effective sharing arrangements could be developed. There is also clear evidence that many of the colleges which would profit most from these arrangements are unable to attract better developed partners simply because the developing institutions cannot pay their share of expenses. Prompt passage of the bill before us would do much to remedy this unfortunate situation.

Finally, title III includes a provision which would authorize the Commissioner to institute a program of teaching fellowships designed to encourage promising graduate students and young faculty members to teach at developing institutions. In conjunction with the cooperative programs that could be carried out between institutions, this system of teaching fellowships would move in a direct manner toward strengthening the faculties of our neediest institutions.

STUDENT ASSISTANCE

The fourth title of the proposed act deals with the very heart and core of our entire system of higher education: the college and university student. I have a particularly keen interest in this title of the bill for the finest libraries, laboratories, classrooms, faculties, and administrations imaginable cannot fulfill their functions if, for any reason, students are denied access to them. It is a patent matter of fact that many of our youth who want and need postsecondary education, and who could derive great benefits therefrom, are denied opportunities to pursue it.

They are denied those opportunities, for the most part, for a simple economic reason: their families do not have enough money. One hundred and forty years ago, Daniel Webster cautioned his fellow Americans: "Let no man have the excuse of poverty for not educating his children." We have heeded that warning admirably regarding the lower schools. Today, for the good of our Nation, we must extend it to higher ones as well.

Costs at private colleges have increased 40 percent in the last decade, and costs at public colleges and universities have increased 30 percent since 1954. Indeed, it is estimated that during the next 10 years there will be an increase of 50 percent in college expenses.

It is small wonder that 40 percent of our families who want to send their children to college feel that they cannot afford to do so.

STUDENT ASSISTANCE, PART A—UNDERGRADUATE SCHOLARSHIPS

After surveying all existing programs, the Labor and Public Welfare Committee

came to one firm conclusion: the demand for student aid far exceeds its supply.

If we are to develop the potential of hundreds of thousands of young Americans, the supply of student aid must be rapidly and radically increased. A broad program, including stepped-up programs for grants and loans, must be provided.

It is such a program that title IV of this bill would attempt to establish.

S. 600 authorizes \$70 million for the first year to afford undergraduate scholarships to 140,000 students.

These scholarships may vary from \$200 to \$800 a year, according to need. To encourage academic excellence, an extra \$200 or a maximum of \$1,000 would be allowed to students who rank in the upper half of their college class.

Scholarships would be awarded by those most familiar with the needs of young men and women, the institutions of higher learning themselves.

While the scholarship program authorizes but \$70 million for each of 5 years for first-year scholarships, appropriations are also authorized to continue scholarships previously awarded.

STUDENT ASSISTANCE, PART B—GUARANTEED REDUCED INTEREST EDUCATION LOANS

The committee was very much aware that college costs represent a real problem for middle-income families as well.

To aid the latter, we have devised a Federal insurance program of commercial loans to bring about a tremendous expansion of the loan funds available from commercial lenders to American college students.

The guaranteed loans will have a low interest rate and will be interest-free to the students while they are attending school. The difference between the interest charged to the student and the cost of the money through State or private organizations will be met by a subsidy which is estimated to be \$15 million in the first year of the program. By the fifth year the cost will be an estimated \$42 million.

It should be noted, however, that this will make possible loans to students valued at over \$700 million.

If a State already has a student insurance fund, it can secure a Federal grant to match new sums of State money it is able to allocate for that fund. If a State does not have a student insurance fund, it can receive up to \$25,000 to be used in establishing one.

In short, the loan insurance program bears the hallmark of the best type of Federal aid to education: it supplements, rather than supplants, efforts initiated by the States and private organizations.

STUDENT ASSISTANCE, PART C—COLLEGE WORK STUDY PROGRAM

Those youngsters who are willing and eager to work their way through college are the most deserving of all. Their industry and ambition did not go unnoticed by the committee.

In part C of title IV, the committee authorized additional funds for the college work study program and during the present fiscal year there will be on and off campus jobs for 225,000 to 285,000 students.

There is an old saying "Work while you learn, and learn while you work." This saying captures very well indeed the theme of the college work-study program.

STUDENT ASSISTANCE, PART D, INCREASED NATIONAL DEFENSE EDUCATION ACT LOAN CANCELLATION FOR THOSE WHO TEACH IN POVERTY-IMPACTED AREAS

The other new provision of title IV which I wish to mention is the amendment I proposed to the National Defense Education Act of 1958, as amended. This would provide for increased cancellation of the indebtedness of National Defense Education Act borrowers who serve as teachers in certain schools in what may be called poverty-impacted areas.

Many Senators in this Chamber today played active roles 7 years ago in the original enactment of this milestone of educational legislation. Others who have come here since that time have become thoroughly familiar with the act by participating in the consideration of the several amendments which Congress has subsequently passed. Thus, I need hardly remind the Senate that one of the main purposes Congress had in enacting title I of the National Defense Education Act was to encourage and assist more of our qualified young people to choose teaching as a career.

To this end, special consideration was given to prospective teachers in granting loans, and, more importantly, borrowers who went on to become teachers in public schools were to be allowed a partial cancellation of their debt. This forgiveness was set at 10 percent of the total amount of the debt each year for up to 5 years of teaching. In effect, then, public school teachers have been required to repay only one-half the amount of National Defense Education Act loans they have secured. By the close of fiscal 1964, some 63,000 National Defense Education Act borrowers had applied for partial cancellation under the teacher forgiveness provision. If each of them receives the full 50 percent cancellation, \$8.1 million in loans will have been forgiven.

In 1964, as a result of a proposal of mine, the cancellation privilege was extended to borrowers who had become or were to become teachers in private elementary and secondary schools, and in institutions of higher education. As a result, 9,000 more former borrowers serving as teachers in such schools were made eligible to apply for loan forgiveness at once.

While we have figures on how many borrowers are benefiting from the cancellation privilege as rewarding for teaching, I have not seen figures indicating the number of graduates who have become teachers because they could get partial forgiveness, but, who, without this reward, would not have entered teaching. I like to believe that this figure would be a sizable one.

Consider a new graduate who is interested in teaching, but who has a \$4,000 debt hanging over him from National Defense Education Act loans. This graduate knows that other fields pay better than teaching, and he might well be pressured into entering a higher paying

field to pay off his debt more quickly. But, with the forgiveness provision in effect, he knows that he can go ahead with his teaching plans, for, although he will make less money, he will have to repay only one-half of his indebtedness.

My proposal to title II of National Defense Education Act attempts to reinforce the graduate's desire to teach by increasing the percentage of loan cancellation he could qualify for. It is based on the realization that while nearly all of our lower schools need more and better teachers, the schools which serve large concentrations of poor families stand in most desperate need for such teachers, and that these very schools have the most difficult time in attracting the superior teachers they require.

Under by amendment, a National Defense Education Act borrower who teaches in a poverty-impacted school is allowed loan forgiveness of 15 percent per year for up to 7 years, resulting in 100-percent cancellation of his indebtedness in just under that period of time.

The definition of poverty-impacted schools is tied in with the provisions of title I of Public Law 89-10, the Elementary and Secondary Education Act of 1965. For a National Defense Education Act borrower to qualify for 100-percent forgiveness, he must teach in a school in the area of a local educational agency which is receiving aid under that title for the year in question. Further, the Commissioner of Education must have found that the school enrolls a high concentration of children from low-income families. Finally, the Commissioner shall not make such a finding in more than 25 percent of the schools of any one State.

I firmly believe that the amendment would have the effect of encouraging larger numbers of service-minded graduates to lend their efforts in the great struggle to break the vicious circle of poverty and ignorance.

FUNDING AND IMPROVING THE HIGHER EDUCATION FACILITIES ACT OF 1963

Recognizing that rapidly rising enrollments call for more classroom construction on college campuses, the Labor and Public Welfare Committee voted to increase for 1966 by \$100 million the construction aid previously authorized for 4-year undergraduate schools and voted to increase by \$60 million the construction money available for graduate schools.

Up to now, under the Higher Education Facilities Act, colleges and universities could receive grants for the construction of buildings designed only for use as a library or for use in the fields of science, mathematics, modern foreign languages, and engineering.

When the original act was before Congress, I fought in committee, on the Senate floor, and in conference to broaden the scope of this program to include construction aid for the arts, humanities, and other curriculums.

At long last, my views on this question have prevailed, because the committee adopted my amendment to broaden the categories of construction

eligible for assistance under the Higher Education Facilities Act.

The facilities statute requires that 22 percent of the grant money be reserved for public community colleges and technical institutes. Because some States have few or none of this type of institution, I proposed in committee that each State have the right to transfer funds reserved for 2-year colleges to the regular 4-year colleges and universities where such action is in the public interest.

The committee accepted this amendment to make the Higher Education Facilities Act more flexible.

MATCHING EQUIPMENT GRANT PROGRAM

Under the National Defense Education Act, Federal equipment grants can be made to elementary and secondary schools on a matching basis. This program has worked so successfully that the committee is now establishing, for the first time, a program of Federal grants to institutions of higher learning for the purchase of educational equipment.

As originally drafted, the equipment proposal did not cover the whole range of studies. At my request, the committee revised it to make possible the purchase of equipment to aid the arts and humanities.

The matching equipment grant program is funded at \$35 million for the first year. This will rise to \$60 million at the end of the fifth year.

NATIONAL TEACHER CORPS

S. 600 would also establish a National Teacher Corps, which will enable 6,000 individuals either alone or as members of a teaching team, in conjunction with local school districts, to provide teaching services in such districts.

The object of the program is to beef up teaching in areas where there are high concentrations of low-income families.

TEACHING FELLOWSHIP PROGRAM

The Labor and Public Welfare Committee, recognizing the fact that more and better teachers will be needed in the dynamic era ahead, adopted a new program to facilitate graduate study for those entering or continuing in the teaching profession.

A total of 4,500 fellowships will be awarded the first year, and this will rise to 15,000 in the fifth year. The fellowships will be used to allow recent graduates to attain master's degrees and to provide advanced training for experienced teachers.

As originally drafted, the fellowship assistance was available only to teachers in the public school systems of the country. At my request, the program was revised so as to make eligible for fellowships teachers who teach in private schools as well.

It has always been my view that we need good teachers in not a few, in not some, but in all our schools, and my amendment is based on that principle.

CONCLUSION

Mr. President, day after day, the members of the Education Subcommittee labored in long sessions to bring forth a bill which would foster the growth and improve the character of our institutions of higher learning, and which would

extend a helping hand to the thousands of young men and women who so desperately want to attend them.

That we have done a job and done it well is evidenced by the fact that every single member of the Committee on Labor and Public Welfare—Republican and Democrat—voted to bring this legislation before the full Senate.

S. 600 is of necessity a complex bill, seeking as it does to solve complex problems. Behind all of its provisions, however, lies a single purpose. Though spoken in 1872, in relation to another act of Congress, the following words of Justin Morrill express that purpose admirably:

The paramount object is to place higher and more appropriate education within reach of all, the poor as well as the rich, without regard to ancestry or race, and of that sort which will engender a perpetual appetite for more.

I believe that the proposed Higher Education Act of 1965 can help to accomplish that object. I support this measure, and I urge my friends and colleagues in this chamber to do the same.

I could not close these remarks without a word or two about the committee staff members who have worked so tirelessly to make this bill a bill of which the Senate can be proud.

To Jack Forsythe and Charlie Lee, to Roy Millenson and Steve Kurzman, goes my deepest appreciation. If the public could know what they have done, they would receive, as well, the everlasting thanks of the American people.

Mr. President, I yield the floor.

Mr. HARTKE. Mr. President, I call up my amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The legislative clerk proceeded to state the amendment.

Mr. HARTKE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and the amendment will be printed in the RECORD at this point.

The amendment offered by Mr. HARTKE is as follows:

On page 130, line 11, strike out "\$1,500" and insert in lieu thereof "\$2,000".

On page 130, line 13, strike out "\$1,000" and insert in lieu thereof "\$1,500".

On page 130, line 16, strike out "\$7,500" and insert in lieu thereof "\$10,000".

On page 130, line 20, strike out "\$5,000" and insert in lieu thereof "\$7,500".

Mr. HARTKE. Mr. President, this amendment merely deals with the guaranteed loans provision of the bill which I introduced as Senate bill S. 5. At that time, 26 Senators introduced a bill which deals with the problem of guaranteed loans to student grant and work study programs, all of which are basically in the present program.

I compliment the Senator from Oregon [Mr. MORSE] for his fine work in bringing this bill to the floor for consideration at this time. However, I think there are certain deficiencies. One of them is the amount of the loan.

I talked with the Senator from Oregon. He said, "Thank goodness that we have as much as we have." However, I make the point that what can be borrowed under the bill, under the student guarantee loan program is still \$1,000 for an undergraduate student, and \$1,500 for a graduate student, on the maximum level.

Senate bill 5 had provision for \$2,000 for an undergraduate student and \$2,500 for a graduate student, which would more nearly approach the expenses of a person who is really in need of a loan for the purpose of going through school. The total amount of the loan would not necessarily be required for any individual student.

I point out that my amendment calls for an increase of from \$1,000 to \$1,500 for an undergraduate student, the maximum amount of the loan, and for an increase in the maximum amount of the loan to a graduate student from the present \$1,500 under the bill to \$2,000.

The point I wish to make is that quite simply, if the guaranteed loan program is to mean anything to the student, it should mean something to someone who really wants to go to college.

I think that it is a sad state of affairs when we place a test on a person who asks for a loan which should not belong on that person. I refer to an economic test. The test should not be whether he or his parents have the ability to finance his education. The test should be whether he has the brainpower and the desire to go ahead and better himself and make himself a better person in the society in which we live. However, the economic test runs throughout the program.

I am not condemning the bill. I shall vote for the bill. However, I believe that the economic test is a test which this committee has placed in the bill. I think this is unfortunate. If such a test were incorporated in the bill, I believe that it would establish a pattern for years to come. I am sad to see that happen.

I should like to ask the Senator from Oregon if there is any way that a boy or girl who wants to go to college this fall, who does not have the money and is in a State which does not have the loan program today, could obtain a loan.

Mr. MORSE. Mr. President, I would not say the chances are not small, but there will be a chance once the bill gets into operation. That would not be immediately.

Mr. President, I urge the Senate not to agree to the amendment. The amendment is being offered by one who is as interested as or more interested in this field than anyone else. The Senator has worked hard on the loan program on my committee. We had the Hartke bill 2 years ago and also last year.

I have worked very closely with the Senator.

We have the loan program, the scholarship program, the fellowship program, and the NEDA loan program. I am very grateful that we have made that much progress.

Let me say why I do not want the Senate to disrupt the situation in which the Senator in charge of the bill finds himself. The loan program that we have

worked out in this bill is the result of prolonged conferences with the representatives of financial institutions of this country, the banks and the loaning agencies, the Treasury, the Bureau of the Budget, and with the Department of Health, Education, and Welfare.

This is a remarkable agreement that we have reached. I plead with the Senate not to disrupt this agreement. It does so much more than anyone had the slightest idea we would be able to do. I want to have this bill enacted into law.

My friend is wrong if he thinks it is not going to last. For many years, we shall have education legislation from year to year. There will always be plenty of opportunity, after we see how it works out, to consider the request of the Senator from Indiana.

I urge the Senator to withdraw the amendment.

Mr. HARTKE. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. HARTKE. Mr. President, if the pending bill were enacted into law, how long would a boy or girl who wanted to go to college and needed to borrow the money and make his own way—there are some of those who do not want to be dependent on their parents but would like to do it on their own—have to wait in a State which does not have the program today?

Mr. MORSE. The bill makes it possible for a State to adopt a program.

I cannot guarantee that a student in a State which does not have the program today will receive a loan. I would rather say that the people in that State should get busy and adopt the program.

Mr. HARTKE. If they do not do so, a boy in such a State would be denied that opportunity.

Mr. MORSE. We are talking about two different things. If a State does not have a program—which they should have—this bill would provide a guarantee by the Federal Government. The student could make his application for a loan in a bank in Indianapolis or in a loan association in Indianapolis and that loan association has the right to call upon the Federal Government under the terms of this bill to guarantee that loan.

Mr. HARTKE. That is the point that I wanted to come to. How long after this bill is passed would it be before the triggering device would occur by which the Federal Government would guarantee that loan?

Mr. MORSE. It would not be in operation for this semester or quarter, but once the bill is passed and signed into law, it will be in operation for the next quarter.

Mr. HARTKE. As I read the bill, I do not understand it in that way. I understand that the State must first fail to provide its own program.

Mr. MORSE. If an investigation revealed that X State has no program, the procedures of the law would go into operation. That will not happen overnight. However, it will be done within a very short time.

Mr. HARTKE. Would there be any assurance that it would be done in sufficient time for the college year next fall?

Mr. MORSE. I believe that it would be done by then. I cannot give assurance, but I am perfectly satisfied that it will be long before next fall.

Mr. HARTKE. Knowing of the sincere dedication of the senior Senator from Oregon to the field of education, if there were a State which did not have a program and none had been instituted, and the State had not taken advantage of the provision for matching funds, would it be the position of the senior Senator from Oregon that he would be willing to insist that the Commissioner of Education make funds available for boys and girls who want to go to school next year?

Mr. MORSE. The law places the duty on the Department to work out the procedure by which that boy or girl could go to the bank in Indianapolis and get a Federal guaranteed loan if he met the requirements.

Mr. HARTKE. I understand that. However, I see nothing in the bill which would trigger this operation if the State were to refuse or neglect to take care of its own people. I see nothing which would trigger that action. It would be left to the discretion of the Commissioner.

Mr. MORSE. The Senator is correct, but that would be automatic, because that is the purpose of the bill. The Senator is not implying that the administrator of the law would not apply the law.

Mr. HARTKE. Is it the impression of the Senator from Oregon that this program will be in operation by next fall? In other words, I want a boy or girl who wants to go to college next year to have a chance to make a loan and borrow some money if he or she wants to do so, either through the State or Federal Government.

Mr. MORSE. Speaking as manager of the bill, I think it clearly will be in operation by next fall, and I think that it will be in operation before next fall.

Mr. HARTKE. That is the kind of statement I want. In regard to the interest charges that are to be made under the bill, they would begin immediately, is that correct?

Mr. MORSE. They would begin, but they would not pay it while in college.

Mr. HARTKE. Is there no requirement for the payment of interest charges? I thought the payment of principal was deferred.

Mr. MORSE. There are no requirements for the payment of interest charges while in college if the boy were to come from a family having an annual income of less than \$15,000. It would not be arbitrary. If it were a family with an annual income of \$15,000 and nine children, and four of them in college—and I use that hypothetically—then the administrator would have the authority to exercise discretion to make some loans even to that family.

Mr. HARTKE. Let me make perfectly clear that I am opposed to that part of the bill. I am not going to support any philosophy that depends on how much the Government subsidizes a certain part of education. It should be universal. I think the time has come

to extend aid for our whole educational system as much as we have to certain parts of it. The time has come when we should take away the economic tests for our boys and girls who need an education.

Mr. MORSE. I agree with the Senator.

Mr. YARBOROUGH. Mr. President, will the Senator yield on that point?

Mr. MORSE. The Senator from Indiana has the floor.

Mr. HARTKE. I yield to the Senator from Texas.

Mr. YARBOROUGH. Mr. President, I sympathize with the statement the Senator from Indiana has just made. I find myself in agreement with much of what has been said. This is a forward step. Under the scholarship provisions, there will be 140,000 students. There will be 285,000 students under the work-study provision. I do not believe that we ought to hang the insignia of the pawnshop, three balls, over a student, and have him start in life with a mortgage hanging over his head.

Until a democracy, or any government, for that matter, has an educational system that will develop to the maximum the resources of their children, it will not fully be able to face its problems. A government should be able to educate its children through mature adulthood, ages 21, 22, 23, or 24, depending on intellectual capacity. The country that does that first is going to be No. 1 in this world, make no mistake.

The United States and Germany were the first nations to have relatively universal free education through high school. Frederick the Great, by imperial decree, provided for free education in his country, because he knew that without education the soldiers in his army would not be able to use the munitions of the army. As a result of other educational institutions, Prussia survived.

The step in this bill is a forward step. But we should not be hanging an FHA-type mortgage over the heads of students. It is the duty of a Great Society to educate its children, just as much as it is one of the duties of that society to provide a social security system and medicare for its elderly people.

Mr. HARTKE. Mr. President, I shall respect the admonition of the Senator from Oregon that I withdraw the amendment. I thank him for his suggestion and statement. I think the bill is a forward step. I compliment him for his leadership on the bill.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

Mr. MONDALE. Mr. President, I rise in support of H.R. 9567, the Higher Education Act of 1965. I have long favored the enactment of this vitally needed

legislation. And I am confident that the Senate will pass this bill by an overwhelming vote.

In his education message this year, President Johnson stated:

Higher education is no longer a luxury, but a necessity.

We are finding that more and more of today's jobs require the background and the skills that only college can provide.

Our young people recognize this. From 1954 to 1964, enrollment in institutions of higher learning doubled. It is expected to go up at least 50 percent more in the next decade. And our junior colleges have expanded even faster.

To provide all these young people with the quality education they will need will require the combined efforts of governments at all levels, and of the many dedicated teachers and administrators in universities and colleges throughout our land.

To meet this unprecedented challenge, there is overwhelming agreement that the Federal Government must play an increased role in supporting higher education. Thus we find that the bill before us this afternoon was reported out unanimously by the Senate Labor and Public Welfare Committee.

H.R. 9567 provides many advances in our Federal higher education policy, so many that I could not hope to mention all of them this afternoon. Surely one of its greatest contributions will be the increased assistance it gives to students in meeting the increased financial burdens which college education imposes. Already, in the year 1965, it costs a student an average of \$1,560 for 1 year in a public college; for private colleges, the figure is even higher—\$2,370. And in the next 5 years, this figure is expected to rise to \$1,840 for public colleges, and 2,780 for private colleges.

This bill takes major steps to help students meet this burden.

It provides a program of general undergraduate scholarships, with the amounts in each case tailored to the need of the recipient.

It inaugurates a low interest, insured loan program to meet educational expenses, and it encourages States and private agencies to carry out similar programs.

To meet the growing need for buildings and needed facilities, this bill amends the Higher Education Facilities Act of 1963 to provide increased grants to educational institutions.

In recognition of the vital need for improved library resources, the bill provides grants for the purchase of books, periodicals, documents and other materials, as well as funds for the training of library personnel.

To help our colleges and universities make a greater contribution to the solution of community problems, we are providing funds for a bold new program of university extension and continuing education.

To help institutions facing particular academic and financial difficulties, the Higher Education Act of 1965 will inaugurate a special program of grants to developing higher education institu-

tions to assist in raising the quality of the teaching they provide.

To improve the quality of undergraduate instruction in the broad range of our colleges, the bill will authorize grants for the purchase of special teaching equipment, and for setting up workshops and institutes to train faculty personnel in the use of new educational media.

To improve the quality of teacher education, and to make this teacher education have an impact in the schools of our low-income areas, title V of this bill provides fellowships to prospective teachers, and grants to universities for the improvement of teacher education, and it establishes a new National Teacher Corps for service in schools with a high proportion of poor children.

And even after mentioning all of these provisions, I feel that I have only scratched the surface in my description of what this bill will provide.

I would, however, like to say some special words on behalf of the work-study program inaugurated by the Economic Opportunity Act of 1964. This program has made it possible for needy students to earn essential funds to support their college education. I believe that this program is in our best American tradition, of helping our young men and women to help themselves.

Yet, despite its unquestioned value, this program has suffered from a serious flaw, a flaw which has prevented many needy students from benefiting from its provisions. Participation in the program is restricted to students from very low income families, because of the laudable desire to help those at the very bottom of our economic ladder. But as the report of the Labor and Public Welfare Committee states:

The rigid limitation of the original bill severely handicapped many universities which have large numbers of students requiring assistance, yet few who are technically from low-income families.

A considerable number of presidents and deans from colleges and universities in Minnesota have written me about this matter. They point out that higher education is a very expensive proposition, and that it is not only the very poor who need the benefit of this type of program.

So I have made efforts to secure a modification of this provision.

I believe that the bill as reported by the committee provides an excellent solution to the problem. It insists—and rightly so—that preference should be given to students from the lowest income families. But it eliminates the rigid income ceiling, and leaves it to universities and colleges to determine who among their students are in need.

I believe that this change will permit the work-study program to help many more students, without changing its basic purpose.

The bill also gives the Office of Education sole responsibility for the administration of this program at the Federal level.

Because of the interest which Minnesota institutions of higher education have shown in this matter, I would like to place in the RECORD a number of letters

which I have received from them discussing this question. I believe that they demonstrate strong support for the bill as reported by the committee, and that they are evidence of a continuing desire among leaders of higher education in Minnesota to make the benefits of their institutions available to all able students, regardless of their financial condition.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

MANKATO STATE COLLEGE,
Mankato, Minn., August 30, 1965.
Senator WALTER F. MONDALE,
U.S. Senate,
U.S. Capitol,
Washington, D.C.

DEAR SENATOR MONDALE: Your letter of August 18, addressed to President C. L. Crawford, has been turned over to me for reply since I am handling this program at Mankato State College.

We, too, find that the low \$3,000 (recently changed to \$3,200) level of income makes the program very restrictive. We would be able to help many needy students if this low limit could be changed to \$3,700.

There are still many students who could remain in college or possibly attend college if some sort of loan program could be established with low interest rates to help these young men and women. This could be in addition to the work-study program.

It is quite difficult, in many instances, to establish need. This is especially true of students who come from farms. Farmers usually have assets ranging from \$13,000 to \$50,000, but these are definitely related to stock and equipment needed to operate the farm. It does not seem justified to have farmers mortgage their stock and equipment in order to send their sons and daughters to college. Has any special provision been made in the work-study or national defense student loan programs to take care of this?

You may have noted that President Crawford is leaving Mankato State College. He has accepted a position in one of the Florida colleges. A short time ago, Dr. Budd, president of St. Cloud State College, also resigned. It will be very difficult to find replacements for these two men and I feel that Minnesota State colleges have lost very fine leadership. I trust that in the very near future the situation in Minnesota may change in order that we may hold and attract high-caliber administrators and teachers for our State institutions.

Sincerely yours,

G. M. WISSINK,
Administrative Dean.

BEMIDJI STATE COLLEGE,
Bemidji, Minn., August 25, 1965.

HON. WALTER F. MONDALE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MONDALE: With reference to your letter of August 18, be assured that we heartily support your effort to liberalize the eligibility requirements for participation in the college work-study program and to have it transferred from the Economic Opportunity Act to the Office of Education.

As we mentioned to you when you were in Bemidji several months ago, the exclusive emphasis on students from poverty families is not realistic; and many students need the program who do not qualify under the terms of the original legislation. We keep a close touch on our students and would be in a good position to ascertain their need as far as financial aid is concerned.

In this connection, you may be interested in knowing that we will have perhaps \$2 million or more in loan funds on the books this coming year (we are getting about \$600,000 in National Defense Education Act

student loans for the coming year) and our defaulting rate on National Defense Education Act loans is between 4 and 6 percent compared with a national average, which is from 19 to 25 percent. This speaks well for the character of the students from northern Minnesota and Minnesota in general who are attending Bemidji State College and for the way in which student personnel services at the college have handled implementation of the National Defense Education Act loan program.

Again, your interest in this matter is greatly appreciated by all of us.

Sincerely yours,
HARRY F. BANGSBERG,
President.

UNIVERSITY OF MINNESOTA,
Duluth, Minn., August 23, 1965.
HON. WALTER F. MONDALE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MONDALE: Your efforts to make the requirements for participation in the college work-study program more realistic are appreciated by all of us working with the program.

We have an excellent program of off-campus and on-campus work here at University of Minnesota, Duluth. These young people are earning funds to keep them in school; however, there are many others with real need who do not qualify at present.

Sincerely,
R. W. DARLAND,
Provost.

HIBBING JUNIOR COLLEGE,
Hibbing, Minn., August 26, 1965.
HON. WALTER F. MONDALE,
U.S. Senate,
Washington, D.C.

SIR: We are actively participating in the work-study program under the Economic Opportunity Act. We find the requirements for participation in the program most restrictive. Many deserving students cannot make use of the program because of limiting factors. The family income restriction is particularly severe.

The program could be much more effective and could accomplish the purpose for which it was established if determination of need could be made by college administrators on the local level. With such a provision, many students in the Hibbing area who need the program could remain in or attend college. We heartily endorse such a change. It would be a big factor in making the program at Hibbing Junior College much more effective for and beneficial to students in the area.

Very truly yours,
OVE C. NORDVOLD,
Dean.

UNIVERSITY OF MINNESOTA,
Morris, Minn., August 25, 1965.
HON. WALTER F. MONDALE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MONDALE: Thank you so much for your letter of August 18 concerning the proposed Higher Education Act of 1965, S. 600. It is my belief that the work-study program is unnecessarily restrictive in many instances, and that there are a number of students which do not qualify under the present work-study program which exhibit a real need for gainful employment in order that they might remain in college or to attend college. I would support this kind of proposal with one major exception. What may be the need for a student to attend a college that has a very high tuition might not exhibit itself as a need in a public institution with a relatively low tuition. Therefore, the provision that the determination of need be made by college administrators on the local level might in effect be highly supportive of the high-cost colleges, and in many instances,

these are the private institutions. There needs to be, in my estimation, some safeguards put into such a bill which will insure that these funds do not become recruiting devices to a specific college, but recruiting devices that will allow students to attend college.

We have a very vigorous work-study program presently operating on our campus, and have been very satisfied with the development of it. However, there are a number of categories of students who do exhibit needs that do not qualify under the program, and which could be materially assisted by broadening the restrictive nature of the present work-study program. I remember the working of the NYA projects in the thirties, and would be highly supportive of such a program updated to meet the kinds of needs as present in 1965.

Thank you so much for your letter.

Sincerely,

RODNEY A. BRIGGS,
Dean.

BRAINERD JUNIOR COLLEGE,
Brainerd, Minn., August 24, 1965.
Senator WALTER F. MONDALE,
Senate Office Building,
Washington, D.C.

DEAR SENATOR MONDALE: We have had a dozen or more students employed under the Economic Opportunity Act and could very well have had more if we had not interpreted the "need" provision of the program as closely as we had been advised we should interpret it. I am confident we turned away a number of prospective students whose "need" was considerable in order to stay in college, but whose family income was such that it was impossible to give them employment.

I have understood that this has been interpreted in a variety of ways in other localities and that, in actual fact, we perhaps need not have interpreted the ruling as rigidly as we have. I am certain if the need rule were to be relaxed, many more students might have been employed.

Sincerely,

J. E. CHALBERG,
Dean, Brainerd Junior College.

ST. CLOUD STATE COLLEGE,
St. Cloud, Minn., August 24, 1965.
Hon. WALTER P. MONDALE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MONDALE: Your letter addressed to President Budd concerning changes in eligibility requirements for participation in the college work-study program was referred to me for consideration.

I have conferred with our local officials who administer this program at our college, and they agree that transferring the work-study program to the jurisdiction of the Office of Education is wise and practicable. Furthermore, they believe that the emphasis on students from poverty-line families should be broadened to include such students as may need the program to remain in college.

Many thanks for your efforts in improving the work-study program.

Sincerely yours,

ROBERT H. WICK,
Acting President.

MACALESTER COLLEGE,
Saint Paul, Minn., August 30, 1965.
Hon. WALTER F. MONDALE,
U.S. Senate,
Washington, D.C.

DEAR FRITZ: Thank you so very, very much for your letter of August 18, 1965 and for your efforts to make it possible for students in financial need to obtain assistance in order that they may attend college.

Here at Macalester we have identified approximately 40 students who qualify under the antipoverty bill, and about 30 of these

students are taking advantage of the work study program. It is going to be of untold value and assistance to them.

One of the unfortunate problems involved in the work study program is that so often the young people who qualify, economically, for this program are from such deprived backgrounds that they have great difficulty in achieving a satisfactory level of academic success while, at the same time, spending a great deal of time at work and, as a consequence, away from their studies.

We shall be glad to cooperate with and assist in any way that we can to broaden the opportunities for more young people to obtain a greater amount of education, for only along this path can a continuing success of our society and of our world be achieved.

With warm personal regards, I remain,

Very sincerely yours,

HARVEY M. RICE,
President.

Mr. KENNEDY of Massachusetts. Mr. President, before us today is the second major education bill in this session. This bill is concerned with the quality of our higher educational institutions and seeks to bring the benefits of higher education to a greater number of our citizens and their communities.

Earlier, we enacted an Elementary and Secondary Education Act. The thrust of that bill was directed at bettering our public educational institutions in those areas of greatest need. The successful implementation of that measure can only lead in the future to a greater reliance on our institutions of higher education by more and better prepared students.

I consider myself fortunate to be a Member of this Congress, for I am convinced that we are doing more to affect the quality of American life than at any comparable time in our history. Our efforts here, especially in the area of education, will redound to the national good for decades to come—for when a Congress acts again and again with the express purpose of bettering and assisting the basic institutions that form the supports of our society, the results are reflected in each generation, and in each individual whose life is uplifted.

The senior Senator from Oregon has given each of us an opportunity to be involved in such changes that will so affect the level of our society. It would be most difficult for me or my colleagues to fully express our admiration for his work in the area of education. The passage of this measure today, so much the result of his tireless efforts and so filled with his own ideas and hopes, must be ample to record the gratitude of this body.

Mr. President, any higher education measure carried with it the assumption that there is a natural progression in the lives and development of our citizens. It assumes that our children travel a path in the growth of their minds that leads to the ultimate in formal training, and then to a continuing desire to further their knowledge over a lifetime. For the fortunate in our society this is a normal expectation. But there are many, too many, whose introduction to education creates no such hope, and no such desire for more. To these children, education is a meaningless experience encountered between learning to walk

and going to work. Most often their parents have fared no better and usually their relations and neighbors offer no contrast. These children are poor: they live in poor communities that can afford only the bare minimum in educational plant and equipment. But more than that, these communities cannot afford to attract the best, or enough of the best, in teaching talent produced by our colleges and universities. It is not the dull surroundings that are controlling in stunting the mental growth of these children, it is the lack of exposure to the bright and dedicated teacher, who can bring to the classroom—any classroom—the excitement of learning.

The examples of teachers who affected the lives of great men in our history, but in the poorest possible surroundings, are endless. But a more graphic and recent experience can be found in the past 3 years in Prince Edward County, Va. There the public schools were closed in defiance of a Supreme Court order. There the most disadvantaged in our society went totally without education for a period of 4 years. When a program to establish a substitute school system was inaugurated in 1963 a nationwide call for teachers produced over 100 in 3 weeks or less. The physical surroundings remained the same, the social inequities were not changed, but these children began to receive the benefit of the work of skilled teachers who were leaders in their profession. After 4 years of no schooling these children quickly began to read and write. They were fast to respond to the teaching stimulus. Many who had been considered average students before were found to be exceptional in tests of intelligence, others developed from illiterates to average readers for their age in a far shorter period of time than could ever have been reasonably expected. The teacher was the key, the teacher was the pivotal point in lives that will some day prove to be fruitful and productive. There is no doubt that in a decade many of these Prince Edward children who had been marked for social oblivion, will be the recipients of the benefits found in this very bill we are considering today.

It was on the basis of this experience, Mr. President, that the idea of a National Teacher Corps was proposed. The amendment that I proposed was directed toward a reallocation of experienced teaching talent on a national basis from the most fortunate to the most deprived school districts. I was pleased to join my concept with that of the junior Senator from Wisconsin, and to work with him to advance what is now a major part of this bill. While this concept of attracting and transferring experienced teachers is distinct from the idea of making student teaching teams available to disadvantaged school districts, they are compatible and will function well together.

Mr. President, on past occasions both Senator NELSON and I have set forth our impression as to how the Teacher Corps will function. Moreover, the report accompanying this bill is designed to clearly state our specific hopes for the administration of the program. I think it

important, however, to restate a few general points of particular interest to me.

First. It is crucial to the successful implementation of this program that the recruitment, selection, and enrollment of teacher corps members be undertaken at the national level to the fullest extent practicable. The Teacher Corps is akin to the Peace Corps in this respect. If we are to attract the best teaching talent from among our experienced educators we must allow them to be involved in a nationally directed program against poverty and deprivation. I am convinced that there are many citizens who wish to contribute to the current campaign to raise the level of American life, but who find themselves in a situation where personal responsibilities are heavy. The Teacher Corps, while asking some sacrifice, will allow them and their families to be involved. But they must be assured of association with a truly national program. Only a federally directed effort can accomplish this.

Second. The bill was written in such a manner as to provide the Commissioner of Education with the greatest possible flexibility in its administration. This is important because of the diversity that will be encountered in school districts and university and college training programs across the country. We did not seek the hard and fast criteria or administrative arrangements. If the program is to grow and broaden over time, experimentation in administration must be the rule.

Third. While the local school district is given complete control over the teachers assigned to it, it is my expectation that the district will allow, and indeed expect, these teachers to innovate in the classroom for the benefit of the students and their fellow teachers. There is no doubt that the greatest amount of innovation in teaching is developed in those more fortunate school districts where affluence and sufficient personnel create the favorable environment for new approaches. It is my hope, then, that members of the Corps will, while being treated as any other teacher in the receiving school system, be given some latitude to bring their experiences to bear in the new teaching environment. I hope that the Office of Education will be able to express this thought to the applying school districts. The bill does, of course, make it clear that members of the Corps are not to be considered as substitutes, but as supplementary personnel in the receiving district.

Fourth. The bill is also designed to attract corps members who may wish to enroll for less than a period of 2 years. What we contemplate here are the special advantages that children may receive in summer remedial programs. All too often, the child who falls behind in reading comprehension, for example, goes undetected until the learning process becomes so painful that education loses its excitement and rewards. This situation is often magnified in the poorer school district where class size alone tends to camouflage such problems. Remedial reading courses during the summer months can be of great impor-

tance in such situations. But beyond that, remedial programs for the generally slow learner, the hard of hearing, the nearly blind, or the retarded, may be made available in the poorer school districts as a direct result of the corps. The highly specialized teachers in these subject areas may not be able to leave their responsibilities during the school year, but would be most willing to join the corps for such summer programs.

Finally, the Senate version of the corps carries its own authorizations. The House version, as accepted in committee in the form of a separate bill, would call for the corps to be funded under title I funds of the Elementary and Secondary Education Act. It is my hope that in conference the House will accept the Senate version. It would be most unfortunate for unique and unusual program such as this to be placed in direct competition for the limited funds allocated to local school districts by title I of the Elementary Act.

Mr. President, the passage of the Higher Education Act today will complete the major education work of this session. It is my hope that this legislation, coupled with the earlier elementary and secondary education bill will provide us with a firm basis for even greater assistance to education in the future.

Mr. CANNON. Mr. President, the legislation before the Senate is deserving of the most prompt and thorough action. It is our duty as representatives of the people to do all in our power to advance the cause of learning within our Nation. Our action on the bill before us will serve as an index to how well we are carrying out that duty.

I am convinced that the administration of education is the rightful province of the States and local educational agencies. This has been the pattern ever since the beginning of public education in America. I am equally convinced that the time has come when the old system of financing education primarily from taxes on property is no longer sufficient. In today's rapidly changing world, limited progress in education is little better than standing still; and limited progress is the natural result of limited finances.

In order for our educators to use their abilities to the fullest extent and for our young men and women to develop their skills fully, we must shore up the fiscal underpinnings of our educational system wherever they are shaky. We must search untiringly for new ways to improve the dissemination of knowledge, and we must implement the findings of this search.

Many students and many educational agencies simply do not have the resources to repair deficiencies and to undertake new and necessary programs. The students have few means of obtaining funds necessary to obtain a higher education, and many local educational institutions have no means of independently acquiring the resources they need.

But the effect of the education, good or poor, transcends local and State boundaries and makes itself apparent in every facet of our national life. Therefore, if we move to grant funds for aid to education, we will but act in the national interest.

We will be well within the limits of Federal prerogative as defined by President Lincoln: "We will be doing for the people what they cannot do for themselves."

And yet, there are arguments that the Federal Government has no place in American education. Proponents of this view maintain that if the Federal Government once makes financial grants to individuals and universities, then it must follow that the Federal Government will attempt to control education. Such is simply not the case.

At present, the Federal Government shares in the financing of vocational education, school construction, education in federally impacted areas which means so much to my State, and other education programs. In all these various programs there has been no indication whatever of moves toward Federal control of education. I must make it clear that I would vigorously oppose any effort to extend Federal controls over the educational process. It is clear to me that this bill, if enacted, would grant the government the power to assist individuals and universities financially, and only that power. Control of education would remain solely in the hands of State and local authorities.

It is equally clear to me that this bill must be regarded as an adjunct in the effort of local and State officials to improve and expand higher education. I am hopeful that they will expend the effort and resources necessary to make our colleges and universities models of academic excellence.

Mr. President, the Congress of the United States stands close to striking another meaningful and necessary blow for the betterment of American education, and through that, for the improvement of American life.

I favor the proposal before us and I compliment the committee for its action on this legislation and hope my colleagues will join with me in support of the bill.

Mr. McGOVERN. Mr. President, as a former college history professor and Senate sponsor of the Higher Education Act of 1965 I rise to express my wholehearted support for H.R. 9567, to strengthen the educational resources of our colleges and universities and to provide financial assistance for students in postsecondary and higher education.

At this point when colleges and universities are faced with mushrooming enrollments, when needy students wishing to obtain a higher education are faced with rising tuition costs, and when institutions of higher learning all across the Nation are faced with the need for better, more adequate libraries, dormitories, and other academic facilities, this bill represents an impressive step forward to improve higher education in the United States.

I am particularly pleased that this legislation provides for low-interest insured loans and undergraduate scholarships. I have long believed that such programs are essential to provide thousands of needy and deserving students with the opportunity to obtain the higher education they so earnestly desire.

As Senator from a State which does not have public community colleges or public technical institutes, I am gratified by the provisions of section 702, subsection (a) of this legislation, amending the Higher Education Facilities Act of 1963. The language in the bill now before us provides that a State's allotment for the construction of facilities for public community colleges and public technical institutes may be used instead for the construction of academic facilities for other kinds of institutions of higher education of the request of the Governor of the State. The critical need in my State of South Dakota is to assure adequate support for the schools now in existence.

Early in the current session of Congress I introduced legislation to provide for this transfer of Higher Education Facilities Act funds. For this reason, I am delighted that the Senate version of the Higher Education Act follows the approach which I have been urging in this regard for many months. I earnestly hope that in the House-Senate conference on this bill, this Senate amendment will be retained intact.

Mr. President, I urge my colleagues in the Senate to overwhelmingly approve H.R. 9567.

Mr. ROBERTSON. Mr. President, no one endorses more wholeheartedly than I the Jeffersonian maxim:

Any nation that expects to be both ignorant and free, expects what never has been and never will be.

One of the reasons that a large part of our more than \$100 billion of foreign aid has been largely wasted with respect to the establishment in the recipient countries of a democracy modeled after ours, has been the ignorance in those countries and the consequent lack of capacity for self government. For instance, we have donated billions of dollars, primarily in food, to India but only about 5 percent of that country is literate and we are not making any headway. The same general conditions apply in Brazil, the largest and potentially the richest country of South America. And so far as the 18 or 19 new nations of darkest Africa are concerned, they boast when they can claim that 1 percent of the population is literate.

Fortunately, what we call literacy, namely, the basic ability to read and write simple English, is high in this country, but we are rapidly moving into what is called a period of automation which demands skills, and skills demand education. At the present time, the largest percentage of those unemployed are high school students who lack the ambition to get an education and lack the skills to get a job. Fundamentally, therefore, I would be glad to support a program to stimulate education at all levels and especially at the college level as is proposed by the pending bill. But I think that the Senate committee overreached itself in sending us a 5-year program to subsidize college education when the President recommended only a 1-year program, and a bill to cost \$4 billion, 700 million when the President recommended only \$364 million. This bill should have been cut back to what the President recommended, for two

reasons: First, a majority of colleges are now unable to accept the students who are applying without this Federal aid; and second, while we continually talk peace we are still at war in South Vietnam and no one knows how long that war will last or how much the cost of it will increase within the next 12 months. For those reasons I cannot vote for the bill.

Mr. SMATHERS. Mr. President, it is a privilege to have this opportunity to voice my support for the Higher Education Act of 1965.

In the 14 years I have been in the Senate, I have studied numerous education bills. A number of these have had some good features; and there have been others which I felt I could not support. However, after carefully studying this bill, I find that I can give this measure my whole-hearted support.

I want to commend my colleague from Alabama and the distinguished Senator from Oregon as well as the other members of the committee for their fine work in bringing a landmark piece of legislation to the floor.

I might point out that the committee has not accepted the bill without amendment. The bill has been considerably improved since it was introduced. The many months of work on this bill has resulted in a good bill which merits the support of each one of us.

When the Higher Education Act of 1965 was first introduced I was concerned about the fact that 2-year institutions were specifically excluded from participation in the title III program. This was an unwarranted limitation which was inconsistent with the rest of the bill.

I want to congratulate the committee for eliminating this gross inequity.

As a whole, H.R. 9567 now offers us a well coordinated balanced program of financial assistance in the field of education.

The Higher Education Act of 1965 will go far in eliminating some of the major problems which our colleges and universities have faced in recent years.

The principal provisions of the bill will—

First, assist in the establishment of extension and continuing education programs;

Second, expand college libraries and encourage research and training in librarianship;

Third, assist intercollegiate cooperation arrangements and establish a national teaching fellowship program to attract outstanding scholars to teach in underdeveloped institutions;

Fourth, extend the benefits of college education to more students by providing undergraduate scholarships to needy students; by establishing, assisting, and stimulating programs of insured reduced-interest loans for college students; by extending and expanding the college work-study program; and by expanding the National Defense Education Act of 1958;

Fifth, establish a National Teachers Corps to strengthen the educational opportunities available to children in areas having high concentrations of low-in-

come families and encourage colleges and universities to broaden their programs of teacher preparation;

Sixth, improve the quality of undergraduate classroom instruction in selected subject areas by authorizing funds for equipment purchases and for faculty development programs; and

Seventh, increase the number and capacity of academic facilities by increasing the authorization of title I of the Higher Education Facilities Act of 1963—Public Law 88-204—by \$100 million and by doubling the authorization in title II of that act.

The benefits of the Higher Education Act of 1965 to the institutions, students and residents of Florida are especially significant with regard to title III. At this time, I would like to address myself specifically to that title.

The State of Florida has been exerting itself to the limit in order to meet the rapidly increasing demand for higher education. One of the methods we have used to meet the need has been the establishment of a comprehensive system of 2-year colleges which offer 2 years of the least expensive higher education available in the Nation. At the present time, we have more than 30 2-year colleges in the State—counting both public and private schools.

We have not been satisfied with just establishing 2-year colleges. We have also done everything possible to make these schools strong. However, there have been some difficulties.

The 2-year college at the present time has not been able to develop the prestige necessary to hold highly qualified professors.

Further, since 20-year colleges generally offer many introductory courses and 2-year professional courses, highly qualified professors feel that they do not have the opportunity to teach in specialized fields or to do specialized research.

I think that title III will offer many outstanding scholars the opportunity to experience some of the advantages of teaching in 2-year institutions which are making an all-out effort to give quality higher education. These professors are going to find that close contact with students and the relief from the "publish or perish" pressure are an aid to quality in education not an evidence of lack of quality. Personally, I think some of the emphasis placed on publishing at the so-called prestige universities is the result of more interest in reputation than in education.

I am delighted to see that the Committee on Labor and Public Welfare has amended the bill to give junior colleges an equal opportunity to participate in this program.

Title III represents a most significant step in the direction of upgrading and strengthening the smaller colleges of the country. This title provides for a 5-year program of grants to institutions of higher education and to teaching fellows to assist in raising the quality of education available in underdeveloped institutions. For the present fiscal year and the succeeding 4 fiscal years, it authorizes \$25 million for 4-year schools and \$25 million for junior colleges.

It also authorized \$5 million for fiscal year 1966 to be granted at the discretion of the Commissioner of Education. It is my hope that the Commissioner will not overlook the opportunity to expand the capabilities of 2-year institutions in the granting of the funds to be used at his discretion.

In our modern industrialized Republic, where nothing is any longer simple, the people must make intelligent citizens. There was a time when an elementary or a secondary level education was considered enough education to provide a citizen with the tools necessary to make wise decisions. Today more formal education is necessary. It is time that we realize that the need exists to provide a low cost, if not free, higher education to all able young people.

Let me cite some of the reasons why the Higher Education Act of 1965 should be adopted. Among them is the fact that it recognizes clearly the importance of higher education to the continued progress of the Nation, and proposes some specific measures for the improvement of the program of our colleges and universities.

These institutions have vastly enlarged responsibilities, for they must train their students for situations in which the fields of knowledge are expanding and diversifying, new techniques of industry and business are coming daily to the fore, and ways of life and living are being altered immeasurably.

Students are coming in ever-greater numbers to the campus. Faculties must be enlarged and be better educated and equipped for the instruction they render and for the research they pursue.

No program for raising the quality of instruction and research in an institution of higher education can proceed very far or very successfully unless it has an adequate library to buttress the endeavor. Educators have, therefore, taken a close look at the library, as regards book collections, personnel, building, and finance.

In the "National Inventory of Library Needs," published in 1965 and based heavily on U.S. Office of Education statistics, the following observations are well to keep in mind in considering libraries.

First. Stress has been given to independent study, honor programs, and new teaching methods in institutions of higher education. They add responsibilities to the library.

Second. The tremendous increase of recorded knowledge, which makes it difficult for libraries to cover the fields adequately and satisfactorily.

Third. With the sheer increase in the number of students and faculty has come the steady rise in graduate study, particularly study leading to a doctorate. It is estimated that U.S. colleges and universities will turn out twice as many Ph. D.'s in 1966 as in 1962. This trend affects libraries.

Fourth. Tremendous need has arisen for information about the non-Western civilizations and countries, resource materials for which are difficult to get, expensive, and require special language

knowledge—a problem for the large libraries, at least.

Fifth. The expanding role of junior colleges has made a change in the basic nature of higher education.

These facts are some that underlie the problem of college libraries. A study of statistics shows some of the current shortcomings at the national level.

Fifty percent of the 4-year institutions fail to meet the standards for size and quality of book collections.

Eighty percent of the 2-year institutions fail. In the case of the percentage of the total educational and general budget which should be devoted to library purposes, instead of 5 percent, 3.5 percent is being spent. The staff lacking in college and university libraries is some 4,000.

The colleges and universities in my own State of Florida have been making remarkable progress, but in view of the demands made upon them because of rapidly increasing enrollments and faculty, rising prices, and other factors, they still face many gaps.

For example, of the 17 4-year institutions of higher education, 10 do not meet the national support standard for their libraries. Of the 25 2-year institutions, 8 spend less than the recommended 5 percent of the total operating budget of the college.

There are a total of 129 libraries in institutions of higher education in the United States containing 300,000 or more volumes. Three are in my State. However, of the 14 4-year institutions with libraries of under 300,000 volumes in Florida, none meet the standards. Of the 2-year institutions, 25 in number, none meet the standards for numbers of volumes.

The pending measure proposes various kinds of grants, on a matching and maintenance of effort basis in the case of the basic and special purpose grants, to help especially the small and medium colleges build up book collections.

It authorizes funds for the training of library personnel of all types and for research in librarianship, and for centralized cataloging.

The proposals included in the measure before us mean improved libraries. This in turn means a better program of higher education in this Nation.

I urge my colleagues to give their wholehearted support to this measure.

Mr. KENNEDY of New York. Mr. President, I am pleased to see incorporated in the committee report on H.R. 9567, my amendment designed to coordinate the educational activities supported by the Federal Government and to eliminate possible duplication found in our current Federal program.

The hearings before the committee showed clearly that the host of Federal and State programs designed to serve different educational purposes overlap one another. Federal programs support vocational training at one level and visiting scientists on another. I ask unanimous consent that a list of the educational programs which overlap one another and which I compiled be printed at the end of my comments to indicate the scope of the programs involved.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. KENNEDY of New York. Mr. President, we cannot delay in providing the additional assistance contained in this bill, but similarly we cannot delay in eliminating unnecessary duplication and changing programs that do not serve the purpose for which they were designed.

Therefore, in order to coordinate the many Federal and State programs and to recommend ways in which our higher educational system can be improved, this bill establishes a Presidential Advisory Council on Extension and Continuing Education. This Council will review and evaluate the operation of the extension and continuing education activities of the Federal Government. It will recommend to the President for transmission to the Congress an annual report specifying ways in which these educational programs can be better coordinated.

I believe that the reports of this Advisory Council can go a long way in improving the fabric of our system of higher education. But we must also have the cooperation of the Federal agencies and the State agencies involved in higher education, if this is to be accomplished. We cannot have a situation in which each segment of the system acts as if it were a completely independent entity. I think that we can achieve effective cooperation through this Council.

On another aspect of this bill, a part of the funds that would be available under this bill would be used for the construction of classrooms, laboratories, and other educational facilities.

It is important that these buildings and facilities and the surrounding grounds be constructed with attention to their architectural beauty as well as efficiency in education.

My colleague, Congressman JAMES H. SCHEUER, of New York State, has recommended that H.R. 9567 be amended to provide that 1 percent of the funds available for construction be used for artistic or esthetic amenities such as architectural design, landscaping, paintings, sculpture, or ornamentation.

This amendment would follow the precedent set in our legislation for highway construction that provides that 3 percent of the funds made available to the States for this purpose can be used for landscaping to make our highways more attractive. It would also be in keeping with the administrative regulations established by the Housing and Home Finance Agency in construction of their buildings.

I have discussed this matter here on the floor with my distinguished colleague, Senator MORSE, and it is his desire that this point be taken up in conference.

So I am not offering an amendment to H.R. 9567 for this purpose, but rather am urging that the House and Senate committees stress the desirability of using 1 percent of the funds available for the esthetic design and embellishment of the educational facilities constructed.

EXHIBIT 1

Following are a list of federally supported training programs and three memorandums describing Federal programs, actual and pending, which are related and supplementary to title I of S. 600:

Federal support of training and related activities, estimated obligations by level, fiscal years 1965 and 1966¹—Continued

[Amounts in thousands]

Academic level and type of support	1965	1966	Academic level and type of support	1965	1966
Total ²	\$3,775,147	\$6,081,104	Student support—Continued		
Elementary-secondary education ³	706,019	1,960,507	Graduate traineeships, National Science Foundation	\$15,120	\$22,285
Support of local schools	613,105	1,636,006	Summer fellowships for graduate teaching assistants, National Science Foundation	961	961
Public land revenue for schools, Agriculture	16,900	17,200	Postdoctoral fellowships, National Science Foundation	1,632	1,632
Federally impacted areas, Office of Education	397,820	402,010	Senior postdoctoral fellowships, National Science Foundation	1,115	1,200
Grants for equipment and remodeling, National Defense Education Act, Office of Education	70,400	79,200	Science faculty fellowships, National Science Foundation	4,125	4,395
Counseling and guidance grants to States, National Defense Education Act, Office of Education	20,485	24,496	Summer fellowships for secondary schoolteachers, National Science Foundation	855	0
Loans to nonprofit, private schools, National Defense Education Act, Office of Education	1,000	1,500	Senior foreign scientist fellowships, National Science Foundation	641	755
Education of children of low-income families, Office of Education		1,000,000	(Training grants)	(289,175)	(318,247)
Indian education, Interior	69,000	75,000	Institutes for counseling personnel, National Defense Education Act, Office of Education	7,250	7,250
Public land revenue for schools, Interior	37,500	36,600	Institutes, National Defense Education Act, Office of Education	29,750	32,750
Support of related school services	10,800	238,050	Institutes on civil rights for school personnel, Office of Education	3,000	3,000
School library resources, Office of Education		100,000	National Institutes of Health training grants, Public Health Service	180,527	193,396
Supplementary education centers, Office of Education		100,000	Injury control training grants, Public Health Service	0	100
Grants to State departments of education, Office of Education		25,000	Chronic disease of aged training grants, Public Health Service	100	200
Grants for State supervisory services, National Defense Education Act, Office of Education	5,200	7,500	Dental services training grants, Public Health Service	2,269	2,549
Grants to States for statistical services, National Defense Education Act, Office of Education	2,100	2,250	Environmental health training grants, Public Health Service	2,262	3,578
Civil rights grants to school boards, Office of Education	3,000	3,300	Air pollution training grants, Public Health Service	998	1,309
Support of special areas	77,749	80,540	Radiological health training grants, Public Health Service	2,500	2,500
Education of dependents of Federal personnel overseas, Department of Defense	72,000	75,000	Water supply and water pollution, Public Health Service	2,000	2,500
Cuban refugee payments, Office of Education	5,280	5,097	Cancer control training grants, Public Health Service	600	700
Kendall School, Gallaudet College, Health, Education, and Welfare	206	221	Community health practice training grants, Public Health Service	100	200
Schools in national parks, Interior	89	94	Neurological and sensory disease training grants, Public Health Service	1,090	1,100
Menominee Indian grants, Interior	88	44	Nurse research training grants, Public Health Service	364	480
Education of pages, District of Columbia	86	86	Institutes for environmental health, Public Health Service	0	1,500
Other	4,865	5,909	Training personnel—Juvenile delinquency program, Welfare Administration	2,000	2,000
American Printing House for the Blind, Health, Education, and Welfare	865	909	Child welfare training grants, Welfare Administration	3,575	5,000
Science education for secondary students, National Science Foundation	3,800	4,600	Faculty-student participation, Atomic Energy Commission	1,130	1,130
Visiting scientist program, National Science Foundation	200	400	Summer student training, Atomic Energy Commission	70	70
Higher education	1,904,797	2,542,099	Faculty training institutes, Atomic Energy Commission	790	790
Student support	749,666	1,023,047	Federal-State training, community development, Housing and Home Finance Agency	5,050	10,145
(Fellowships and traineeships)	(202,041)	(257,500)	Academic year institutes for college teachers, National Science Foundation	1,530	1,800
Graduate fellowships, National Defense Education Act, Office of Education	32,740	58,108	Summer institutes for college teachers, National Science Foundation	3,000	3,350
Fellowships in foreign languages and area studies, Office of Education	1,500	2,000	Conferences for college teachers, National Science Foundation	670	800
Language fellowships, National Defense Education Act, Office of Education	5,620	6,120	Academic year institutes for secondary school teachers, National Science Foundation	10,500	10,600
Fellowships—Educational improvement for handicapped, Office of Education	8,915	12,818	Summer institutes for secondary school teachers, National Science Foundation	23,200	23,500
Traineeships—Educational improvement for handicapped, Office of Education	2,646	3,658	Inservice institutes for secondary school teachers, National Science Foundation	3,000	3,200
Short-term traineeships—Educational improvement for handicapped, Office of Education	2,621	2,866	Summer institutes for elementary school personnel, National Science Foundation	1,400	1,950
Injury control fellowships, Public Health Service	0	50	Inservice institutes for elementary school personnel, National Science Foundation	450	800
Community health fellowships, Public Health Service	0	100	(Other student assistance)	(258,450)	(447,300)
National Institutes of Health fellowships and traineeships, Public Health Service	48,172	54,580	Student loans, National Defense Education Act, Office of Education	146,700	181,550
Nursing services fellowships, Public Health Service	362	412	Work study, Economic Opportunity Act, Office of Education	56,000	84,000
Air pollution fellowships, Public Health Service	252	378	Cuban refugee loans, Office of Education	2,300	2,500
Water supply and water pollution fellowships, Public Health Service	617	710	Undergraduate scholarships, Office of Education		70,000
Neurological and sensory disease traineeships, Public Health Service	228	228	Insured loans, Office of Education		15,000
Professional nurse traineeships, Public Health Service	8,000	9,000	Additional college—Work study, Office of Education	17,900	15,400
Public health traineeships, Public Health Service	4,500	7,000	Health professions student loans, Public Health Service	7,550	12,850
Senior clinical traineeships, Public Health Service	1,000	1,000	Nursing student loans, Public Health Service	1,000	1,000
Rehabilitation fellowships, Vocational Rehabilitation Administration	160	160	Indian education, Interior	27,000	20,000
Rehabilitation research traineeships, Vocational Rehabilitation Administration	11,420	12,622	Veterans education, Veterans' Administration		
Fellowships—Bureau of Commercial Fisheries, Interior	200	200	Institutional support	983,064	1,311,908
Fellowships—East-West Center, State	3,485	4,000	(Construction)	(842,327)	(1,047,528)
Nuclear traineeships, Atomic Energy Commission	300	300	Higher education facilities, Office of Education	463,150	641,750
Nuclear science fellowships, Atomic Energy Commission	2,029	2,100	Howard University construction, Health, Education, and Welfare	1,810	2,920
Fellowships, planning and urban studies, Housing and Home Finance Agency	515	530	Gallaudet College construction, Health, Education, and Welfare	367	308
International fellowships, National Aeronautics and Space Administration	258	260	Health educational facilities, Public Health Service	100,000	90,000
Resident research associateships, National Aeronautics and Space Administration	1,800	1,300	East-West Center construction, State	0	250
Predoctoral traineeships, National Aeronautics and Space Administration	25,000	30,000	College housing loans, Housing and Home Finance Agency	277,000	312,300
Graduate fellowships, National Science Foundation	9,617	9,617	(Other institutional assistance)	(140,737)	(264,380)
Cooperative graduate fellowships, National Science Foundation	6,135	6,135	State merchant marines schools, Commerce	1,725	1,600
			Medical education for national defense, Department of Defense	1,000	1,000
			College library assistance, Office of Education		65,000
			Grants to developing institutions, Office of Education		30,000
			Language and area centers, National Defense Education Act, Office of Education	4,830	5,080

Footnotes at end of table.

Federal support of training and related activities, estimated obligations by level, fiscal years 1965 and 1966¹—Continued

[Amounts in thousands]

Academic level and type of support	1965	1966	Academic level and type of support	1965	1966
Institutional support—Continued			Vocational-technical training	\$979, 586	\$1, 352, 357
Stimulation grants—Educational improvement for handicapped, Office of Education	\$318	\$159	Vocational education, act of 1963, Office of Education	106, 650	159, 750
Instruction in land-grant colleges, Office of Education	14, 500	14, 500	Grants to States for vocational education, Office of Education	34, 796	34, 991
Howard University, Health, Education, and Welfare	9, 660	10, 982	Promotion of vocational education, Office of Education	7, 161	7, 161
Gallaudet College, Health, Education, and Welfare	1, 926	2, 277	Area vocational education, NDEA, Office of Education	15, 000	15, 000
Freedmen's Hospital training program, Health, Education, and Welfare	868	1, 114	Work-study programs, vocational education, Office of Education	5, 000	25, 000
Project grants for improving nurses training, Public Health Service	2, 000	3, 000	Residential vocational schools, Office of Education	0	5, 000
Payments to diploma schools of nursing, Public Health Service	4, 000	4, 000	Cuban refugee training, Office of Education	1, 443	1, 443
Formula grants to schools of public health, Public Health Service	2, 500	2, 500	Vocational education—Appalachia grants, Office of Education	8, 000	8, 000
Project grants for public health training, Public Health Service	2, 500	4, 000	Work experience, Welfare Administration	117, 000	150, 000
Teaching grants, Vocational Rehabilitation Administration	8, 230	9, 518	Indian training, Interior	12, 205	14, 427
East-West Center, State	1, 840	2, 250	Manpower Development and Training Act training and subsistence, Labor	342, 640	386, 361
Equipment and materials grants, Atomic Energy Commission	2, 000	2, 000	Area Redevelopment Act training and subsistence, Labor	8, 229	0
Instructional equipment for undergraduate, National Science Foundation	8, 000	8, 000	Work training, Labor	132, 500	245, 000
Graduate science facilities, National Science Foundation	28, 000	28, 000	Promotion of apprenticeship and training, Labor	5, 762	5, 724
Institutional grants for science, National Science Foundation	11, 000	19, 000	Job Corps, Office of Economic Opportunity	165, 200	280, 500
Science development program, National Science Foundation	28, 000	40, 000	Veterans education, Veterans' Administration	18, 000	14, 000
Science education for undergraduates, National Science Foundation	6, 000	7, 500	Continuing education	77, 567	103, 474
Science education improvement grants, National Science Foundation	1, 450	2, 500	Agricultural extension service, Agriculture	73, 561	74, 468
Visiting scientists, National Science Foundation	390	400	State technical services program, Commerce	(4)	(4)
Training of Federal personnel	172, 067	207, 144	Civil defense training, Office of Education	4, 006	4, 006
Merchant Marine Academy, Commerce	3, 567	3, 644	Urban extension and continuing education, Office of Education	19, 000	25, 000
Military academies, Department of Defense	105, 000	129, 000	Basic adult education	19, 000	33, 000
Coast Guard Academy, Treasury	6, 500	6, 500	Adult literacy program, Office of Education	19, 000	33, 000
Outservice training of Federal personnel, ALL	57, 000	68, 000	Other education	88, 178	89, 967
Vocational-technical and adult education	1, 076, 153	1, 488, 831	Library services	74, 036	76, 505
			National Agricultural Library, Agriculture	1, 599	1, 865
			Grants for library services, Office of Education	55, 000	55, 000
			National Library of Medicine, Public Health Service	3, 958	5, 010
			Library of Congress, Legislative	13, 479	14, 630
			Other	14, 142	13, 462
			Educational TV facilities grants, Health, Education, and Welfare	13, 742	13, 062
			Public understanding of science, National Science Foundation	400	400

¹ Based on U.S. and agency budget documents. Excludes research and development, research facilities, international education, intramural training programs, value of commodities and property transferred to educational institutions, and payments in support of general Government services in territories and dependencies some of which support education.

² Includes grants and loans.

³ Excludes funds for vocational education which are included under "Vocational-technical and adult education."

⁴ It is estimated that \$5,000,000 to \$10,000,000 will be required to finance this program.

Mr. PELL. Mr. President, I am highly pleased to add my support to this landmark legislation, which I believe will add significant dimensions to our efforts in the field of higher education.

It is particularly gratifying to me that the Senate Subcommittee on Education, under the very capable leadership of my friend and colleague from Oregon [Mr. MORSE], saw fit to accept my recommendation that funds be added to provide for a major effort in the field of continuing education. This will now enable facilities to be constructed through the use of which our universities and colleges can respond to the needs of the communities they serve. As is stated in the report by the Committee on Labor and Public Welfare, on which I serve:

In their bearing on adult life, knowledge and change in every part of our lives have at last brought us to the point where the old expressions of lifelong learning and continuing education become meaningful descriptions of what is required of man.

The overall effect of this higher education legislation enables greater efforts in the areas of university extension and continuing education, scholarship and loan programs, work-study, grants to public schools, loans to private schools, new and modern equipment, library assistance, aid to community colleges and technical institutes, and other institutions of higher education.

In my own State of Rhode Island, as much as \$1,696,000 will be available for such efforts. I know this will be extremely helpful to the institutions and communities in my State, and I intend to encourage the broadest possible participation in this program.

Senator MORSE has done a remarkable job of leadership in piloting this bill over the many shoals that faced it and he and his committee deserve every congratulation for what they have done.

Mr. MANSFIELD. Mr. President, on behalf of the Senator from Maryland [Mr. TYDINGS], I ask unanimous consent that his statement on the pending bill be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY MR. TYDINGS

It is my privilege to support this bill, the product of so much effort, and patient consideration by the members of the Education Subcommittee and the entire Labor and Public Welfare Committee. The chairman, the distinguished senior Senator from Oregon [Mr. MORSE], and the members of the subcommittee and the full committee have performed invaluable service for our Nation. I wish to especially commend the junior Senator from Wisconsin [Mr. NELSON] and the junior Senator from Massachusetts [Mr. KENNEDY] for their vision in devising and their effort in advancing the National Teachers' Corps for disadvantaged school districts which is embodied in this bill. Thousands

of our young people will receive the benefits of a better education, because of the provisions of this bill, and a good education will enable these young Americans to lead richer, fuller, more productive lives.

Money spent to improve the quality of our educational facilities, to broaden and strengthen our educational resources, is an investment and not an expenditure. It is an investment in the future of our young people. This is the most meaningful investment which any society can make.

Several months ago, the Congress passed a monumental bill to provide over \$1 billion per year in Federal assistance to elementary and secondary schools. That law will provide much-needed assistance to the school districts of our Nation, so that they may better educate our young people through elementary and high school.

But today a high school diploma is often not enough. Our expanding economy will need increasing numbers of highly skilled professional and technical workers. And individuals who are not so trained will find it most difficult to provide for themselves and their families. It is thus imperative that higher education be made available to increasing numbers of our citizens, for their individual benefit and for the good of us all. Allowing increased flexibility in the allocation of assistance to public junior colleges and technical institutes is especially important in this regard.

The Office of Education reports that in 1960 over a million high school graduates did not attend college. Of this number, 42 percent were influenced by financial reasons in their decision. Nearly half of this number said

that they simply could not afford to consider going to college.

In my own State of Maryland, a recent survey of the 44,000 June high school graduates disclosed that more than half planned to continue their education. And approximately a third of the high school graduates who were not planning to continue their education indicated that they would go to college if they could secure a scholarship or a student job, or a long-term student loan.

We live in a complex and ever-changing world, where the useful skills of yesterday can become obsolete by tomorrow. By maintaining a strong and vital educational system we insure that our society will have the trained and skilled manpower which our complicated patterns of living require. By maintaining a strong and vital educational system we insure that our young people will have the opportunity to equip themselves to lead fruitful and meaningful lives.

The key to this bill, I think, is that word, "opportunity." This bill is aimed at broadening the opportunity of the young people of our country to play a fuller role in the workings of our society.

There will be opportunity for the children of lower- and middle-income families to earn scholarships or to take out low-interest student loans, or to engage in work-study programs.

There will be opportunity for smaller colleges to improve their programs, and to augment their faculties.

There will be opportunity for our educational institutions to proceed with the programs of expansion which are so vitally necessary, so that they may adequately serve our expanding school age population.

There will be opportunity for students to avail themselves of expanded stores of books and scholarly material in their college libraries.

And there will be opportunity for our colleges and universities to concern themselves more directly with the problems of center city, problems of poverty and rootlessness, and the possibilities of community service and community development.

We do not seek to subsidize an isolated class of students and scholars. Rather, we seek to open the doors to educational opportunity to all of those who have the ability and the ambition to walk through those doors. And we must provide the educated with the opportunity to apply their skills to the task of finding solutions to the problems which face us as individuals, and as a nation.

THE NATIONAL TEACHER CORPS

Mr. NELSON. Mr. President, it is a pleasure to speak in support of H.R. 9567, the Higher Education Assistance Act of 1965. This bill will, I believe, prove a landmark in the history of American education.

I want in particular to compliment the senior Senator from Oregon [Mr. MORSE] on the intelligence, wisdom, and patience with which he conducted the long and exhaustive course of hearings on this bill and congratulate him on the excellent bill he has reported out.

This afternoon I wish to speak about that part of title V of H.R. 9567 that related to the National Teacher Corps.

The national shortage of teachers—estimated last September by the National Education Association at 118,000—is nowhere so acute as those schools where excellent teaching is most crucial, the schools teaching the children of poverty.

Not only are we short of teachers, but last fall fully 85,700 full-time public school teachers—5 percent of the total—

did not fulfill State certification requirement, usually the equivalent of a college degree.

And you may be sure that these teachers were concentrated in those school districts with the least in financial resources and the most in educational problems, the schools serving rural and urban areas of poverty.

The schools in these areas bear a great responsibility. For particularly in cities, the local school is the only community institution within walking distance of every adult and child. It is the one institution to which all children must come, and one to which they come with high hopes and great expectations. It is our best hope for changing their lives.

The Corps will provide a magnificent opportunity to bring into the teaching profession, our most important profession, dedicated and promising college graduates, while at the same time providing desperately needed aid for these embattled schools.

If another generation is not to be lost beneath that destructive wheel of ignorance, anger, and apathy we call the cycle of poverty, we must now make good our ancient pledge of genuine educational opportunity to all.

Teaching is our most important profession, as education is our first responsibility in a free society where the dignity and individuality of man is our creed.

The importance of teaching is such that we must make every effort to attract, train, and keep in the teaching profession our very best young people.

The purpose of the National Teacher Corps, then, is to attract into the teaching profession, and to train by the latest tested techniques for service in the schools of poverty areas the very best of our young people, the kind of practical, idealistic college graduates that made the Peace Corps a success;

To provide an opportunity for dedicated experienced teachers to devote part of their careers to the schools that need their services most critically;

To provide an opportunity to experienced teachers of unusual professional ability to advance in their profession by becoming training teachers leading a Teacher Corps team.

The Teacher Corps is expected to provide approximately 6,000 teachers during its first full year of operation. The bill authorizes \$36,100,000 for the Teacher Corps in this fiscal year, \$64,715,000 for fiscal year 1967 and for each of the three following years.

The great appeal of the Teacher Corps to the young college graduate, like that of the Peace Corps, is the challenge it offers of doing a difficult, useful job.

After a 3 months' intensive training period at a university, the young Teacher Corps interns would go in teams of about five into schools requesting them, led by an experienced teacher. All the Teacher Corps members—interns and experienced teachers alike—would teach part time. Time would be set aside for seminars in curriculum, teaching method, and other teacher-training subjects, led by the experienced teacher.

The interns would be paid a salary by

the school equivalent to the beginning salary of a full-time teacher in the school system. The experienced teachers leading teams would be paid a salary in keeping with their added responsibilities. Costs to the schools would be covered by a Federal grant. Let me emphasize, Teacher Corps members would be employees of the local school.

When it comes to selecting teachers to lead intern teams the first place to look is in the schools serving disadvantaged areas themselves. It will be extremely helpful to the success of the training program if the team leaders are already experienced in the problems that the interns will be learning to solve. It is also the purpose of the bill, in part, to provide for the excellent teachers who have given selfless service in difficult situations the opportunity for recognition and advancement that leading a teaching team would provide.

Crucial to the success of the Corps would be a close relationship between the school and the cooperating university. The university would continue to take part in the training program in the school. Additional course work at the university would make it possible for the interns to earn an advanced degree by the end of the 2-year program.

It is most important to make clear that while the Teacher Corps is a new program, it does not contain untried ideas. Rather it brings together the practical idealism of American young people and the best ideas for the training of teachers for the disadvantaged.

Dean Lindley J. Stiles, of the University of Wisconsin School of Education, said in testimony before the Education Subcommittee:

You have patterned your bill after proven successful practice.

Intern teacher training programs are now in operation at some 40 universities including Wisconsin and Harvard.

The specific pattern outlined in this bill has had 2 years of practical testing at Cardozo High School here in the District of Columbia. There returned Peace Corps volunteers served in intern-teams, teaching part time while studying in the school under the direction of experienced teachers who were also teaching themselves. Fully 80 percent of the program's graduates have chosen to remain in the field of education for the disadvantaged.

The practicality of setting up Teacher Corps intern teams in rural areas was testified to before the committee by Dr. Pat Wear, of Berea College, Berea, Ky.

We have explored the internship method (at Berea) and it worked most effectively.

Dr. Wear said:

I speak on behalf of the institution and we heartily endorse the development of the National Teachers Corps and feel perhaps it is long overdue.

In his testimony, Dr. Wear emphasized the importance of the provisions in the bill that assure local control and initiative.

The Office of Education itself would conduct a nationwide recruiting effort and make arrangements with local universities, public school agencies and

State departments of education where appropriate for the operation of the program.

But the language of the bill is written so that maximum flexibility, maximum opportunity for local initiative is maintained. Strong local leadership is crucial to the success of the program.

Teacher Corps teachers would, of course, be under the direct control of the local school authorities.

There is no reason to set up an elaborate screening system in Washington for applicants when that could be handled better by the participating universities.

Training teachers to work in poverty areas requires more than knowledge of teaching technique. Broad understanding of the sociology of urban and rural development is needed, and also a close acquaintance with the work and problems of social agencies in the community.

The Teacher Corps training program at the universities would utilize community resources, and public school resources, as well as university faculty.

Educators have welcomed the commitment of Congress to action against the poverty that blights so many American lives. Particularly those who must deal with the dilemmas of urban and rural education in areas of poverty have long been struggling with the problem. New programs and ideas have been developed, but a chronic shortage of cash has hampered putting them into action.

This Congress has, at long last, begun to put up the money needed to redeem our ancient pledge of equal educational opportunity for all.

Young Americans are eager to help in this effort. This National Teacher Corps can also provide the funds and the framework to take a great leap forward in teacher education.

By shifting the training locale from the college to the disadvantaged school, by providing a situation in which disadvantaged schools and universities can get to know and learn from each other, and by providing a sizable group of new young teachers to the profession, the Teacher Corps could provide a vital spark to the reform of teacher education in the country.

LEGISLATIVE PROGRAM—ORDER FOR ADJOURNMENT UNTIL 9 A.M. TOMORROW AND THEN TO TUESDAY SEPTEMBER 7, 1965

Mr. DIRKSEN. Mr. President, I should like to ask the distinguished majority leader whether there will be any business for the remainder of today and tomorrow, and what will come at the end of the Labor Day recess.

Mr. MANSFIELD. Mr. President, in response to the question raised by the distinguished minority leader, I ask unanimous consent that when the Senate completes its business today, it adjourn until 9 o'clock tomorrow, Friday, September 3, 1965, and that immediately after convening on that day the Presiding Officer shall, without the transaction of any business or debate, declare the

Senate adjourned until noon, Tuesday, September 7, 1965.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. MANSFIELD. In other words, when we are through with the pending bill, which is a bill of major importance, there will be no further business today, none tomorrow, except a pro forma session, and on next Tuesday we shall take up H.R. 10586, the Labor-HEW supplemental appropriation bill; following that will be H.R. 9811, the omnibus agriculture bill; H.R. 8072, Calendar No. 655, the bill to provide assistance in training State and local law enforcement officers; the immigration bill; and miscellaneous other bills as they are reported out of committees.

There is one correction in that statement. They will not necessarily be taken up in that order all the way through, but in general that will be the schedule.

HIGHER EDUCATION ACT OF 1965

The Senate resumed the consideration of the bill (H.R. 9567) to strengthen the educational resources of our colleges and universities and to provide financial assistance for students in postsecondary and higher education.

Mr. MORSE. Mr. President, I ask for the yeas and nays on passage.

The yeas and nays were ordered.

Mr. ERVIN. Mr. President, as the Senator from Oregon knows, I am a firm believer in education and have supported bills requiring Federal aid to education where bills specified there would be no Federal control of education.

As the Senator from Oregon also knows, I have been concerned when certain education bills have been passed which I believe might violate the establishment of religion clause of the first amendment. The courts have held that it is a violation of the establishment of religion clause of the first amendment for tax moneys, either Federal or State, to be used to finance the teaching of any religious doctrine.

I ask the Senator from Oregon what provision this bill contains with respect to aid to private colleges and universities.

Mr. MORSE. Mr. President, I want to make legislative history on this point. I shall be brief.

I share the concern of the Senator from North Carolina about separation of church and state. I am the author of a judicial review bill, of which the Senator from North Carolina is a cosponsor, as is the Senator from Pennsylvania [Mr. CLARK], and several others. As the Senator also knows, I have been urging that we have hearings on the bill. The Senator from Oregon is hopeful that at an early date, although it may not be until the next session, the Judiciary Committee will schedule hearings on the bill.

For the legislative record on this bill, let me direct the Senator's attention to page 114 of the committee report. I read, starting in the second paragraph:

The term "academic facilities" shall not—

I emphasize "shall not"—

include (a) any facility intended primarily for events for which admission is to be charged to the general public, or (b) any gymnasium or other facility specially designed for athletic or recreational activities, other than for an academic course in physical education or where the Commissioner finds that the physical integration of such facilities with other academic facilities included under this act is required to carry out the objectives of this act—

This is the heart of the matter—

or (c) any facility used or to be used for sectarian instruction or as a place for religious worship, or (d) any facility which (although not a facility described in the preceding clause) is used or to be used primarily in connection with any part of the program of a school or department of divinity.

Dropping to the bottom of that paragraph:

For the purposes of this subparagraph, the term "school or department of divinity" means an institution, or a department or branch of an institution, whose program is specifically for the education of students to prepare them to become ministers of religion or to enter upon some other religious vocation or to prepare them to teach theological subjects.

Honeycombed throughout the bill, these guarantees are contained in section after section. I insisted on them as chairman of the subcommittee.

I ask unanimous consent at this point to insert in the RECORD, for the purpose of legislative history, reference by way of restrictions in this bill that bears upon the Senator's question which will leave no room for doubt that money provided for by this bill cannot be spent for religious purposes.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The following sections of the bill bear upon the point raised:

"LIMITATION"

"SEC. 111. No grant may be made under this title for any education activities or services related to sectarian instruction or religious worship, or provided by a school or department of divinity. For purposes of this section, the term "school or department of divinity" means an institution or a department or branch of an institution whose program is specifically for the education of students to prepare them to become ministers of religion or to enter upon some other religious vocation, or to prepare them to teach theological subjects.

"LIMITATION"

"SEC. 207. No grant may be made under this part for books, periodicals, documents, or other related materials to be used for sectarian instruction or religious worship, or primarily in connection with any part of the program of a school or department of divinity. For purposes of this section, the term "school or department of divinity" means an institution or a department or branch of an institution whose program is specifically for the education of students to prepare them to become ministers of religion or to enter upon some other religious vocation, or to prepare them to teach theological subjects.

"DEFINITION OF 'DEVELOPING INSTITUTION'

"SEC. 302. As used in this title the term 'developing institution' means a public or nonprofit educational institution which—

"(a) admits as regular students only persons having a certificate of graduation from a high school, or the recognized equivalent of such certificate;

"(h) is not an institution, or department or branch of an institution, whose program is specifically for the education of students to prepare them to become ministers of religion or to enter upon some other religious vocation or to prepare them to teach theological subjects."

Title IV is concerned with programs assisting students to receive higher education training.

"LIMITATION

"SEC. 502. Nothing contained in this title shall be construed to authorize the making of any payment under this title for religious worship or instruction.

"TEACHER CORPS PROGRAM

"SEC. 513. (a) * * *.

"(d) A local educational agency may utilize members of the Teacher Corps assigned to it in providing, in the manner described in section 205(a)(2) of Public Law 874, Eighty-first Congress, as amended, educational services in which children enrolled in private elementary and secondary schools can participate.

"LIMITATION

"SEC. 529. No fellowship shall be awarded under this part for study at a school or department of divinity. For the purposes of this section, the term 'school or department of divinity' means an institution or department or branch of an institution, whose program is specifically for the education of students to prepare them to become ministers of religion or to enter upon some other religious vocation or to prepare them to teach theological subjects.

"LIMITATION ON PAYMENTS

"SEC. 609. Nothing contained in this part shall be construed to authorize the making of any payment under this part for any equipment or materials for religious worship or instruction."

Mr. ERVIN. So the only question that could arise as to religion is whether or not a mere furnishing of the grants to sectarian schools for construction of facilities for nonsectarian purposes and the furnishing of grants for the acquisition of materials used in courses of instruction for nonsectarian purposes meets the mandate of the first amendment.

Mr. MORSE. That is the view of the manager of the bill. The Supreme Court is the place to get that finally decided. The judicial review probably would be the vehicle to take it to the Supreme Court.

Mr. ERVIN. The Senator from Oregon agrees with me that although the Supreme Court held very clearly that tax moneys could not be used for the teaching of any religious doctrine, there is no decision on general aid at present?

Mr. MORSE. We have no decision. The Senator and I discussed that this afternoon. We hope the Maryland case will go to the Supreme Court and raise the issue. No one knows with certainty because, as we know, the Supreme Court tries to avoid constitutional issues if they can be determined on other grounds.

Our bill would be one which I do not see how determination of the question could be avoided.

Mr. ERVIN. Does not our bill spell out clearly that any taxpayer can bring a suit to test the constitutionality of any provision of this bill, under the first amendment? For example, as well any provision of the Elementary and Secondary Education Act of 1965, and the provisions of all bills providing aid to education.

Mr. MORSE. That is clearly my opinion.

Mr. ERVIN. And any Federal taxpayer could bring such a suit and the Court will have jurisdiction regardless of the amount of the tax in dispute.

Mr. MORSE. That is the provision of the bill which I offered and the Senator cosponsored.

Mr. ERVIN. I appreciate the replies of the Senator from Oregon to my questions. The bill has been referred to the Subcommittee on Constitutional Rights of the Committee on the Judiciary. I propose, as the chairman of that subcommittee, to hold hearings on the bill early next session. I trust we shall be able to report the bill favorably and obtain action on it before anything unconstitutional can be done under this bill.

Mr. MORSE. I now invite myself, through my friend from North Carolina, as an early witness to those hearings.

Mr. ERVIN. I thank the Senator.

Mr. KENNEDY of New York. I wish to take only a minute. I know that Senators are prepared to leave the city.

I do not want the occasion to go by without making a comment, having served on the full committee and the subcommittee, and without paying tribute to the Senator from Oregon.

I heard the Senator say he is not preparing himself to be buried, when some of the other Senators were singing his praises.

I wish to say what an experience it has been for me to serve with the Senator from Oregon on this important piece of legislation.

We are all interested in the coordination of the Federal program. There are approximately 200 different Federal programs on education. There should be some coordination between all of those programs. I believe that aim is accepted in most cities.

I also have had some discussions with the chairman and the manager of the bill in regard to the possibility of some funds being used for beautification of school buildings. I have discussed an amendment to a bill in the House of Representatives for 1 percent for the beautification of school buildings. I defer to the judgment of the chairman on that matter.

Before I take my seat I will reiterate my praise for the chairman and for the Republican Senators, Senator PROUTY, Senator DOMINICK, and Senator JAVITS, as well as the Democratic Senators, for their contribution in this important piece of legislation.

Mr. MORSE. I wish to state furthermore for the RECORD that the contributions of the Senator from New York [Mr. KENNEDY], are printed on page after page of this bill. He has been of great help to me in bringing the bill to fruition on the floor of the Senate.

In regard to the language which I assume to be in the House bill, which deals with trying to beautify our school buildings, to give 1 percent of funds for the architectural aspects of them, I am in complete agreement with the objective of that proposal. It can be discussed in conference. I wish to state to the Senator that I shall support it in conference.

Mr. CASE. Mr. President, the bill before us today, the Higher Education Act of 1965, reflects the labors and judgments of many persons, but of no one more dedicated and persevering than our colleague, the senior Senator from Oregon. As one who has observed closely his efforts as chairman of the Senate Education Subcommittee, and who served for a time as a member of that subcommittee under his leadership, I want to pay special tribute to his understanding and his accomplishment in bringing forth this long-awaited legislation.

I am particularly pleased that the bill incorporates a number of proposals that I have advanced over the past year. Three relate in particular to community or junior colleges—a type of institution that I have long felt should be given a larger share of our educational resources. Congress made a start in this direction when, 2 years ago, it adopted in the Higher Education Facilities Act a large part of the community college program I had been advocating for years.

Thus, title III of the pending bill would open up to 2-year colleges, as well as 4-year colleges, the assistance to be provided for developing institutions. Grants under this title would meet part of the cost of financing cooperative agreements between developing institutions and other colleges and universities—a technique well designed to upgrade the qualifications of junior colleges.

In addition, title VII amends the Higher Education Facilities Act of 1963 in two important respects, so far as junior colleges are concerned.

The first change removes the arbitrary requirement that construction grants to public community colleges and technical institutes amount to 40 percent of costs—no more, no less. This formula has forced several States, including New Jersey, to assign their entire allocation to one institution, leaving no funds for other worthy applicants. Today's bill revises this formula to make 40 percent the ceiling on the Federal contribution, leaving it up to the States to distribute the funds more widely as they see fit.

Title VII also increases the authorizations provided in the Higher Education Facilities Act of 1963 for fiscal year 1966. The amount authorized for grants for the construction of undergraduate facilities is increased by \$100 million, from \$230 to \$330 million. For graduate facilities, the authorization is doubled, from \$60 to \$120 million. I had proposed that both authorizations be doubled, but the amounts now provided in the bill will allow for a significant expansion of these programs.

Finally, Mr. President, part C of title V authorizes fellowships for the advanced training of teachers in both elementary and secondary schools. Forty percent of the fellowships would be available to persons just graduating from

college who desire to pursue a teaching career, while the remaining 60 percent would go to persons with 5 or more years of professional experience. The total number of fellowships authorized by the bill would rise from 4,500 for fiscal 1966 to 10,000 next year and to 15,000 for each of the three succeeding years.

When I introduced my own fellowship bill—S. 1192—on February 18 of this year, I was hopeful that this concept would find wide support in the Senate. I could not anticipate, of course, that 5 months later the President would urge us to authorize a program of fellowships for elementary and secondary school teachers seeking to improve their skills. In his statement of July 17, the President graciously acknowledged that the proposal owed much to the efforts of the Senator from Oregon and of myself.

I was delighted, of course, to learn that consensus can be a two-way street. I am even more delighted, however, to see this bill—a milestone of education progress which I am proud to have had a part in developing—moving toward early enactment.

Mr. MORSE. Mr. President, I find it most difficult to express to the Senate my very deep appreciation to all of my colleagues who have spoken on the bill. I wish to repeat again that without the help, the advice and counsel I have received at every stage in the Senate, consideration of this measure since it was first introduced last January, we could not now be at the point of final passage.

I hesitate even to try to enumerate the contributions each has made. I have already thanked those who worked with me on the subcommittee. They had to carry the heavy load of hearings and executive sessions and floor debate. They worked hard and long, and I am truly indebted to them. Members of the full committee were equally involved, I have already mentioned several, but I want to take the opportunity particularly to thank the distinguished junior Senator from New Jersey [Mr. WILLIAMS] whose interest in helping the community college and in finding solutions to the accreditation problem was early made manifest to me. His senior colleague from the same great State, Senator CASE is an old and valued friend of mine. He too, was early knocking at the committee door with constructive solutions to these problems. I thank him for it and for his great help even before this session in working out what became the fellowship provisions of title V of the bill. He and I were engaged in a friendly rivalry as to which could produce a better teacher fellowship draft. Title V, part C bears many of his contributions. My very able colleague and valued friend, Senator GRUENING saw to it very early in the process that the Federal credit unions would not be overlooked. The junior Senator from South Dakota [Mr. McGOVERN] reminded us of the need to provide greater flexibility in the funding of college construction, and he, too, was most interested in solving the accreditation problem. There are many, many more, and to each and every one I can only say that I thank them with sincerity.

But, Mr. President, I would be greatly derelict if I did not point out that these bills are not exclusively the product of senatorial work. In each of the offices of the Senators I have named at one time and another today, there are hardworking men and women who serve the people of the United States with selfless dedication, and who in advising us, in preparing the factual backup material which permits us to function, and who work literally day and night in the interest of the people of our States, deserve high commendation. To them I express my deep personal appreciation. I know that I cannot know of all each has done, but in symbolic appreciation to them I wish to name on the floor of the Senate tonight those who serve in a liaison capacity with our subcommittee. They include Mr. Robert Perrin and Mr. Edwin Winge, of Senator McNAMARA's staff; Mr. Richard Yarborough and Mr. Alan Mandel, aids to Senator YARBOROUGH; Dr. Richard Schier, who advises Senator CLARK; Mr. William Stover, research assistant to Senator RANDOLPH; and Mr. Adam Walinski, legislative assistant to Senator ROBERT KENNEDY. Mr. Thomas Hayes, administrative assistant to Senator PROUTY is an old and trusted friend of every one on the subcommittee and I wish to pay special tribute to the help that he and Mr. Arthur Rufresne have given us. Mr. Roy Millenson, minority clerk, and Mr. Steve Kurzman, minority counsel shared with the majority staff, Mr. John Forsythe, committee counsel, Mr. Stewart McClure and Mr. Charles Lee, a truly tremendous task in making clear the alternatives and options with which we were faced in every section and title of the bill. I am deeply and truly grateful to each of them and to those who worked with them early and late, our printer, Mr. Steve Coffey and our staff secretaries in particular Miss Helen Eagle, Miss Marjorie Whitaker, Miss Margaret Porcher and Mrs. Eleanor Forsythe, who with Mrs. Thelma Blankenship and Mrs. Bobbie Paradise of the minority staff constantly performed the impossible.

In conclusion, however, I would be greatly remiss if I did not pay public tribute to the men and women of the White House, the Department of Health, Education, and Welfare, and of the Office of Education. I thank them in the names of Mike Manatos and Doug Cater, each of whom provided me, and all who worked with me, with very valued counsel.

The Nation owes a great debt to the leadership provided by former Secretaries of the Department of Health, Education, and Welfare, but none is deserving of higher tribute than Judge Celebreeze, under whose guidance many programs came of age, not the least those relating to education. I salute ex-Secretary Celebreeze and his capable associates Under Secretary Wilbur Cohen and Commissioner Keppel for their wisdom and for their willingness at every turn to make our role easier. I thank their immediate associates Mr. Phillip Des Mairais, Mrs. Patria Winalski, Mr. Chester Rilyea, and Dr. Samuel Halperin, for every bit of the help each gave to us. I am most appreciative

of their personal contributions to the success of this bill, and I hope that each will commend to everyone in the agency who did the charts, who prepared the tables, who crafted the testimony in draft form, and who did each of the indispensable jobs, my thanks and those of my associates.

Mr. President, I have left till the last Senate Legislative Counsel because it is fitting. They are with us before the bill is introduced, they are with us in committee markup, their work is with us on the floor and they write our conference reports. They are the craftsmen of the law and so I wish to close this portion of my remarks with my tribute to them. On this bill we were privileged to have available the services of Mr. Peter W. LeRoux, and Mr. Blair Crownover and we are indebted to them to a great degree. I thank them and all who worked with them.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. THURMOND (when his name was called). On this vote I have a pair with the junior Senator from California [Mr. MURPHY]. If he were present and voting, he would vote "yea." If I were permitted to vote, I would vote "nay." Therefore I withhold my vote.

The rollcall was concluded.

Mr. LONG of Louisiana. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Tennessee [Mr. BASS], the Senator from Idaho [Mr. CHURCH], the Senator from Tennessee [Mr. GORE], the Senator from Ohio [Mr. LAUSCHE], the Senator from Wyoming [Mr. McGEE], and the Senator from Illinois [Mr. DOUGLAS] are absent on official business.

I also announce that the Senator from Virginia [Mr. BYRD], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Minnesota [Mr. MCCARTHY], and the Senator from Maryland [Mr. TYDINGS] are necessarily absent.

On this vote, the Senator from Maryland [Mr. TYDINGS] is paired with the Senator from Virginia [Mr. BYRD]. If present and voting, the Senator from Maryland would vote "yea" and the Senator from Virginia would vote "nay."

I further announce that if present and voting, the Senator from New Mexico [Mr. ANDERSON], the Senator from Tennessee [Mr. BASS], the Senator from Idaho [Mr. CHURCH], the Senator from Illinois [Mr. DOUGLAS], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. GORE], the Senator from Ohio [Mr. LAUSCHE], the Senator from Minnesota [Mr. MCCARTHY], and the Senator from Wyoming [Mr. McGEE], would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Delaware [Mr. BOGGS], the Senator from Iowa [Mr. HICKENLOOPER], and the Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent.

The Senator from California [Mr. MURPHY] and the Senator from Wyo-

ming [Mr. SIMPSON], and the Senator from North Dakota [Mr. YOUNG] are detained on official business.

If present and voting, the Senator from Delaware [Mr. BOGGS], the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from Wyoming [Mr. SIMPSON], and the Senator from North Dakota [Mr. YOUNG] would each vote "yea."

The pair of the Senator from California [Mr. MURPHY] has been previously announced.

The result was announced—yeas 79, nays 3, as follows:

[No. 249 Leg.]

YEAS—79

Aiken	Hayden	Moss
Allott	Hill	Mundt
Bartlett	Holland	Muskie
Bayh	Hruska	Nelson
Bennett	Inouye	Neuberger
Bible	Jackson	Pastore
Brewster	Javits	Pearson
Burdick	Jordan, N.C.	Pell
Byrd, W. Va.	Jordan, Idaho	Prouty
Cannon	Kennedy, Mass.	Proxmire
Carlson	Kennedy, N.Y.	Randolph
Case	Kuchel	Ribicoff
Clark	Long, Mo.	Russell, S.C.
Cooper	Long, La.	Russell, Ga.
Cotton	Magnuson	Scott
Curtis	Mansfield	Smathers
Dirksen	McClellan	Smith
Dodd	McGovern	Sparkman
Dominick	McIntyre	Symington
Ellender	McNamara	Talmadge
Ervin	Metcalf	Tower
Fannin	Miller	Williams, N.J.
Fong	Mondale	Williams, Del.
Gruening	Monroney	Yarborough
Harris	Montoya	Young, Ohio
Hart	Morse	
Hartke	Morton	

NAYS—3

Eastland	Robertson	Stennis
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NOT VOTING—18

Anderson	Fulbright	Murphy
Bass	Gore	Saltonstall
Boggs	Hickenlooper	Simpson
Byrd, Va.	Lausche	Thurmond
Church	McCarthy	Tydings
Douglas	McGee	Young, N. Dak.

So the bill (H.R. 9567) was passed.

Mr. JAVITS. Mr. President, I move that the Senate reconsider the vote by which the bill was passed.

Mr. DIRKSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MORSE. Mr. President, I move that the Senate insist upon its amendment and request a conference with the House of Representatives thereon; and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. MORSE, Mr. HILL, Mr. McNAMARA, Mr. YARBOROUGH, Mr. CLARK, Mr. RANDOLPH, Mr. KENNEDY of New York, Mr. PROUTY, Mr. JAVITS, and Mr. DOMINICK conferees on the part of the Senate.

Mr. JAVITS. Mr. President, I compliment the distinguished Senator from Oregon. With his usual skill and with the sure touch that he always shows when he is in charge of a bill, he has piloted the bill through the Senate to a happy conclusion.

As so many of us said when the debate began, the whole Nation will be grateful to Senator MORSE for his fine leadership in respect of this critically important measure.

Mr. DIRKSEN. Mr. President, one of the great attributes of the distinguished senior Senator from Oregon is that he does his homework, and he knows the score when he brings a bill to the floor of the Senate.

Second, when an amendment is submitted, he shows the utmost caution, before he ever approves of it or is willing even to take it to conference. That was demonstrated today, when he thought he ought to examine every implication of the sorority-fraternity amendment. He has managed the bill skillfully and has brought it through Senate deliberation in record time. I congratulate him.

Mr. MORSE. Mr. President, I can only respond to the most gracious words of Senators DIRKSEN and JAVITS, which are overgenerous to the point of making my ears tingle, that this bill bears throughout, in the form of words, phrases, sections, parts and titles, incontrovertible evidence of the legislative result of the diligence, the application, and the insight of both of my distinguished colleagues.

I thank each of them for their courtesy, and I assure each of them that where we have differed, the fact that work on the bill was completed tonight bears witness to the resolution in conscientious compromise of the difficulties we jointly faced in our endeavor to bring forth a sound bill and one oriented to the public interest.

I think that we have done this, thanks in great measure to the spirit of accommodation shown by all Senators today.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, September 2, 1965, he presented to the President of the United States the enrolled bill (S. 511) to increase the authorization of appropriation for the support of the Gorgas Memorial Laboratory.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

PROPOSED DISPOSAL OF CERTAIN MATERIALS FROM THE NATIONAL STOCKPILE

A letter from the Administrator, General Services Administration, Washington, D.C., transmitting a draft of proposed legislation to authorize the disposal of quartz crystals from the national stockpile and the supplemental stockpile, without regard to the provisions of section 3 of the Strategic and Critical Materials Stock Piling Act (with an accompanying paper); to the Committee on Armed Services.

A letter from the Administrator, General Services Administration, Washington, D.C., transmitting a draft of proposed legislation to authorize the disposal, without regard to the prescribed 6-month waiting period, of lump steatite talc from the national stockpile (with accompanying papers); to the Committee on Armed Services.

REPORT OF EXPORT-IMPORT BANK OF WASHINGTON

A letter from the President and Chairman, Export-Import Bank of Washington, Washington, D.C., transmitting, pursuant to law, a report of that Bank, for the fiscal year ended June 30, 1965 (with an accompanying report); to the Committee on Banking and Currency.

AMENDMENT OF JOINT RESOLUTION PROVIDING FOR MEMBERSHIP OF THE UNITED STATES IN THE PAN AMERICAN INSTITUTE OF GEOGRAPHY AND HISTORY

A letter from the Secretary of State, transmitting a draft of proposed legislation to amend the joint resolution providing for membership of the United States in the Pan American Institute of Geography and History and to authorize appropriations therefor (with accompanying papers); to the Committee on Foreign Relations.

ACCEPTANCE OF TWO INSTRUMENTS FOR AMENDMENT OF THE CONSTITUTION OF THE INTERNATIONAL LABOR ORGANIZATION

A letter from the Secretary of State, transmitting a draft of proposed legislation providing for acceptance by the United States of America of two instruments for the amendment of the constitution of the International Labor Organization (with accompanying papers); to the Committee on Foreign Relations.

REPORTS OF ACTING COMPTROLLER GENERAL

A letter from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report on examination of financial statements of Government Printing Office, fiscal year 1964 (with an accompanying report); to the Committee on Government Operations.

A letter from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report on review of procedures and practices for terminating procurement of excess missile spare parts, U.S. Army Missile Command, Department of the Army, dated August 1965 (with an accompanying report); to the Committee on Government Operations.

A letter from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report on management of automatic data processing facilities in the Federal Government, dated August 1965 (with an accompanying report); to the Committee on Government Operations.

PROPOSED CONTROL OF USE OF THE DESIGN OF THE GREAT SEAL OF THE UNITED STATES AND OF THE SEAL OF THE PRESIDENT OF THE UNITED STATES

A letter from the Secretary of State, transmitting a draft of proposed legislation to control the use of the design of the Great Seal of the United States and of the Seal of the President of the United States (with an accompanying paper); to the Committee on the Judiciary.

ADMISSION INTO THE UNITED STATES OF CERTAIN DEFECTOR ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders entered granting admission into the United States of certain defector aliens (with accompanying papers); to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A resolution adopted by Rainbow Post 2065, Veterans of Foreign Wars, San Francisco, Calif., relative to the creation of a conclusive presumption that all prisoners of war

"Some people seem to think they have a right to resist arrest at all times. So a degree of force has to be used to bring them to a station."

GUNS VERSUS A BOTTLE

It was in Chicago that an incident last year attracted nationwide attention.

Two off-duty policemen were told of two men, both Puerto Rican migrants, who were threatening people with a broken beer bottle.

The officers went to the men, identified themselves, drew pistols, and ordered the man with the bottle to drop it. Instead, the two men attacked the officers, severely slashing one. But a criminal court judge, a Negro, dismissed battery charges against the two men. The policemen, the judge said, had used "excessive force."

PLANNING FOR TROUBLE

Instances are being reported where the use of brutality propaganda against the police appears to have been planned even before trouble erupts.

Police in Berkeley, Calif., were on the firing line last year when student demonstrators at the University of California staged disorders in defiance of university authorities and police.

In preparation for trouble, students formed a "Police Brutality Committee." It began grinding out propaganda before the first arrest, and students were primed to start chanting "brutality" as soon as the police appeared on the scene.

Students also were instructed to go to the university hospital and report injuries. One police official reported:

"When the physician on duty asked several what they were doing there, they replied that they didn't know—they were there because they had been told to report to the hospital."

At other hospitals, attendants treated victims for hoarseness and headaches and sent them home—while five highway patrolmen were undergoing treatment for actual injuries received at the hands of rioters. One patrolman was hospitalized for a week.

Students and sympathizers overlooked no chance to raise the brutality cry. They used it to describe the stench on crowded buses that took them to jail. Placing of two intractable students in isolation cells also was held to be brutal.

During the rioting, police said, a Berkeley radio commentator helped the brutality theme along by slapping the wall with his hand near the microphone and describing the noise as blows raining down on students.

Berkeley's Capt. William Beall said:

"Brutality is the first thing that occurs to people to yell when they are trying to undermine authority. It means that the government is unjust, that the law is unjust, and that the people trying to enforce the law are unjust."

"A policeman dreads the moment when someone will yell brutality. That charge robs him of his dignity. It takes away everything he's trying to do—what he believes in."

An official of the International Association of Chiefs of Police, Charles E. Moore, told the Senate Internal Security Subcommittee that the demonstrations at Berkeley were a classic example of techniques used by Communists to "destroy the public confidence in the police—when you destroy the symbol of authority and of the laws you bring about anarchy."

SIEGE AT THE STATION HOUSE

One result of this situation is that police are being subjected to growing harassment.

As an example, last year a Negro mob in New York City laid siege to a precinct station in Harlem for several hours. Elsewhere, policemen are being attacked—as in Morristown, N.J., where a gang of Negroes beat a lone policeman unconscious after hearing orators denounce police brutality at a Negro rally.

Another result is that police are becoming reluctant to crack down on criminals in minority areas of big cities.

Recently Quinn Tamm, executive director of the International Association of Chiefs of Police, said:

"Many police have complained that the law is being applied unequally, with preferential treatment being given to minority groups. They feel that pressure groups have succeeded in preventing police from fully enforcing the law where minority individuals are concerned."

THE RECRUITING PROBLEM

Everywhere, police departments are finding it more and more difficult to recruit qualified men for what appears to be a thankless job. In Washington, D.C., for instance, the Metropolitan Police Department has sent recruiters as far afield as New Hampshire and Indiana in a vain effort to fill 144 vacancies.

To counter the rising cry of police brutality, most departments have established branches to investigate complaints against the police, including charges of brutality.

Now Negroes and some other groups are pressing for establishment of civilian boards, outside the police departments, to pass judgment on complaints. Such agencies, it is said, would give people more confidence in the outcome of hearings on police brutality.

Some doubt that this would happen is raised by experience in Philadelphia and Rochester, two cities that have civilian boards. In both places, it is found, these boards have done little to reduce the hostility to police which erupted in rioting last year.

JUDGMENT BY PEERS?

In New York, mounting pressure for a civilian review board was held partly responsible for the resignation last year of Police Commissioner Michael J. Murphy. His successor, Vincent L. Broderick, recently stated his opposition to such a board. He said:

"Much of police work entails immediate reaction to crisis. Decisions must be made by the police officer on the street in a split second. It is vital that when the police officer's action is reviewed it be reviewed by one who has a capacity to evaluate the propriety of the action in terms of the police crisis in which it was taken and who, at the same time, has a disciplinary responsibility which extends not only to the propriety of the action but also to its complement, the propriety in the same situation of the officer's having failed to take action."

All kinds of extraordinary measures are being undertaken by police to reduce the cry of police brutality.

In New York, recently, the body of a Negro hoodlum shot by police while resisting arrest was exhumed in order to disprove a charge by the Congress of Racial Equality that he was shot in the back of the head.

Berkeley police, to back up their claims of gentle handling of riotous students, took photographs of each arrest.

Even so, worry grows that a decline in the quality of law enforcement across the U.S. is inevitable as a result of the mounting charges of police brutality.

Joseph G. Martin, deputy commissioner of police in New York City, said:

"After a while, the policeman says to himself, 'I don't want to be involved.' Police don't say this publicly, but many are saying it privately."

"The eager, dedicated young policeman starts out at a trot. Then this kind of thing slows him down to a walk. Finally you find him dragging his feet—he doesn't know where he stands, so he does nothing."

Yet the cry of police brutality continues to mount in America's big cities. Prospects are that conditions for the policemen are not likely to show much improvement in times ahead.

WHEN IS A POLICEMAN "BRUTAL"?

State and Federal law authorizes a policeman to use whatever force is "reasonably necessary" to make an arrest.

A policeman may defend and protect himself when attacked by anyone, including a person in custody.

An officer may use whatever force is necessary to maintain an arrest and prevent a suspect's escape.

In language that varies from one State to another, laws also make policemen liable to punishment if they use more force than is necessary against individuals.

An expert in the Department of Justice gives these guides as to what might be considered "brutality":

"Each situation has to be examined on its own facts. The police are permitted great leeway and may even be legally excused for using bad judgment. It is up to a jury, looking at all the facts, to decide whether the force used by the policeman exceeded reasonable limits."

"When a policeman uses so much unnecessary force as to make it clearly apparent that he is trying to punish someone, then he may be found guilty under State and Federal criminal laws. He does not have the right to punish anyone. That is a function of the courts."

POLICE "BRUTALITY"? HERE'S ANOTHER SIDE OF THE STORY

Policemen murdered by criminals: 57 in 1964 alone. One hundred and ninety-seven in the last 4 years. The number of policemen murdered annually in line of duty has doubled since 1960.

Policemen killed in accidents: 124 in the last 4 years.

Policemen assaulted: 18,000 in 1964. That was 1 out of every 10 policemen in the country.

Policemen injured in assaults: 7,738 in 1964, or 1 out of every 24 policemen.

(NOTE.—Figures are for city, county, and State police. Source: FBI.)

WHEN THE FBI INVESTIGATES POLICE "BRUTALITY"

Between mid-1964 and mid-1965: 1,700 complaints of police brutality were referred to the Federal Bureau of Investigation. These included civil rights complaints in the South. Forty-seven such cases were presented to Federal grand juries. Five cases led to conviction in Federal courts.

(NOTE.—These were complaints involving a Federal statute making it a violation for police to deprive a person of his constitutional rights. Figures on prosecutions are for Federal courts only.)

Source: U.S. Department of Justice.

A SPOT CHECK ON POLICE "BRUTALITY" IN THE CITIES

Complaints of police "brutality" are numerous across the country, but the great majority of these complaints are washed out after investigation. This is shown by a spot check of leading cities. For example:

Chicago: So far this year, 289 complaints against police have been filed. Of these, after investigation: 274 were judged "unfounded" or "not sustained," 8 resulted in "exoneration" of the policeman involved, 7 were sustained, and the officers involved were disciplined.

A year earlier, in the same period, 351 complaints were filed, and only 4 were sustained by investigation.

Los Angeles: August riots have focused attention on complaints of police "brutality." Many of these complaints involve discourtesy or "verbal brutality" rather than any physical abuse.

In 1964, there were 314 complaints involving "excessive force" or "police misconduct."

The latter included charges of discourteous language.

Investigation upheld 82 of these complaints, and the officers involved were given punishment ranging from reprimands to suspension. Sixteen officers resigned from the force.

Civil-rights groups are charging that police fail to take action on many of the complaints filed.

Detroit: So far in 1965, there have been 24 complaints alleging some form of brutality on the part of police.

That is roughly in line with 1964, when 31 such complaints were filed during the entire year. Of these 31 complaints, 10 were sustained or "conciliated" after investigation. One was dismissed after the officer involved resigned. Twenty were dismissed on the evidence, but eight of these are awaiting additional investigation by the State civil rights commission.

New York City: In 1964 there were 231 complaints filed by civilians alleging that police officers abused their authority or used unnecessary force.

Of these, 50 cases led to action. Four went to a grand jury, and one resulted in indictment. The remaining 46 cases were held to warrant police department action. After investigation, there were various dispositions ranging from removal of the policemen involved to dismissal of the charges.

Other figures for 1964 suggest that being a policeman in New York is a hazardous occupation. Seven police officers were killed, and 1,602 were injured in line of duty. Policemen assaulted by civilians numbered 2,493, and 478 of these were out of action for a time.

Washington, D.C.: The rule in Washington is that only sworn complaints against policemen are received officially. This requirement washes out most complaints at the start.

Last year, 11 sworn complaints were filed with the complaint review board. Of these, nine were referred to the metropolitan police department's trial board for hearings. Two policemen were cleared of all charges, and seven were found guilty of one or more charges.

Dallas: Since the beginning of 1962, there have been 55 accusations of excessive force by police with the police department. On the basis of these charges, one patrolman and one detective have been found guilty and suspended from the force.

In 15 years, only two policemen in Dallas have been discharged outright for "unnecessary violence." On of these was rehired, because when tried after an indictment by the grand jury he was exonerated.

Philadelphia: Last year, the city's all-civilian police advisory board received 49 complaints of police brutality. Of these, 7 have been upheld, 1 conciliated, and 18 are still pending. The remainder have been rejected or dropped by the complainants. Five policemen have been reprimanded, and one suspended.

EXHIBIT 1

[From the Richmond Times-Dispatch, Aug. 19, 1965]

POLICE BRUTALITY

"Police brutality" has come to be an over-worked slogan in Los Angeles and many other northern and western cities, intended to justify drastic countermeasures by criminal elements and rioters. Aiding and abetting this trend have been the U.S. Supreme Court and other Federal courts, in their grossly unwarranted solicitude for lawbreakers.

Police officers are frequently attacked by mobs when they arrest a suspect. They are often in danger of their lives from these gun-toting, knife-wielding, brick-throwing toughs. No fewer than 88 law enforcement

officers were killed in line of duty in 1964, of whom 57 were slain by vicious criminals.

True, instances of genuine police brutality do occur, and they are not to be condoned. But when murderers, burglars, rapists, and other thugs sound off with this cry at regular intervals, their complaints are a bit shopworn.

In Los Angeles the cry of brutality was heard frequently before the recent lethal outburst in that city. No doubt there had been instances where brutality could rightly be charged, but let's look at another side of the coin.

Robert Richardson, a Negro advertising salesman for the Los Angeles Times, was in the riot area for 8 hours on Thursday of last week. He stated that "every time a car with whites entered the area the word spread like lightning down the street." The word went out, "Here comes whitey—get him."

Richardson told of a white couple in their 60's who happened to drive into the riot zone. They were dragged from their car and mercilessly beaten. The Negro witness says he thought they were going to be killed, and he hardly sees how they survived. Yet the types who carry out this sort of senseless violence yell about police brutality.

The same witness then saw two white men drive through the area. Their car was bombarded with rocks. The driver ducked, and collided with a car loaded with Negroes. Both white men were dragged to the pavement and frightfully mauled. One man's eye was hanging out of its socket, Richardson declared.

When Negro ministers arrived and carried the beaten men into an apartment, they were spat upon by the crowd and cursed as hypocrites, Richardson said. Negro police then tried to disperse these hoodlums, and the officers were called traitors and bombarded with rocks. More "police brutality."

Nearer home, in Washington, D.C., brutality is frequently alleged. But the police there have been attacked so regularly by mobs that they hesitate to carry out their duties. Take the riot in Washington on the night of August 5. A mob of rock-throwing Negro hoodlums broke up a carnival, injuring nearly 100 people, including 9 policemen.

But here is the amazing fact: not one single arrest was made. An officer sought to explain by saying that "it was raining rocks" when he arrived. Furthermore, "the minute we got there we realized it would be impossible to make even one arrest without touching off a full-scale riot." Another officer put it this way: "We had to disperse the people; arrests would have incited them even more."

"Police brutality" in this instance seems to have consisted of getting nine policemen hurt, along with scores of other people, and letting all those responsible get away it.

It's about time the courts and the public generally became aware of what the police are up against in many of these dangerous situations. By and large, they deserve praise rather than blame.

HIGHER EDUCATION ACT OF 1965

Mr. MORSE. Mr. President, I should like to make a request that the list of Senate conferees be expanded to include all members of the Subcommittee on Education.

Let me tell the Chair why.

Seniority has nothing to do with the contributions which the members of the subcommittee make to our conference. I need them all. They greatly strengthen my hand in conference. They greatly strengthen my position in the Senate. The fact that they are not all included in

the present naming is that it has been general practice to have a smaller number, but this is so important that I believe I should have the strength which would be given to me by every member of my subcommittee.

Take, for example, the matter of small colleges. I said earlier this afternoon that no one knows more about small colleges and their problems in the whole of Congress than the Senator from West Virginia [Mr. RANDOLPH]. Then there is the contribution which the Senator from New [Mr. KENNEDY] made to the bill, including the last item, in which he discussed the matter of the beautification of campuses, and the problems involved therewith in architectural design. I need him there. Therefore, I respectfully request that the Chair grant my request to have all the members of my subcommittee named as Senate conferees.

The VICE PRESIDENT. Without objection, the Chair will appoint additional conferees.

The PRESIDING OFFICER appointed Mr. RANDOLPH and Mr. KENNEDY of New York additional conferees on the part of the Senate.

Mr. MORSE. One more word and I am through, if the majority leader will tolerate me further.

I have paid my sincere thanks to members of my subcommittee and to the members of the committee staff, both subcommittee and full committee.

I had promised to add my remarks to the RECORD, but let me say on the floor, before I leave tonight, that there are three other men to whom I wish to express my appreciation.

I have already referred in my speech today, in explanation of the bill, to the great contribution of the President of the United States. I inserted in the RECORD his great message to Congress on education, and his fine speech before the National Education Association delivered at Madison Square Garden in New York City in July.

Let me say further, now that the bill has passed, that I wish the country to know that I believe this bill was passed due to this factor more than any other: President Johnson, in carrying his education message to the people of the country, prepared the people for the bill, and the people prepared Members of Congress for the bill. Let us face it; because it was only when Congress fully realized the great public support which the bill had gained throughout the country that I found my burdens greatly lightened in the handling of the bill at the subcommittee and full committee level.

Therefore, I wish to express my thanks to the President of the United States for his leadership in this matter.

I hope that the present occupant of the chair, the Vice President of the United States, will close his ears for a moment, but I wish to say for the RECORD that he was a partner with the President in taking the education message from coast to coast, for I know of speech after speech which the Vice President of the United States made, not only before education and teacher groups, but also be-

fore general audiences. That is where it counts when it comes to formulating public opinion.

For many years, the Vice President has spoken both as Senator and now as Vice President in support of the education program which is encompassed in this great bill.

I thank him, in his presence this afternoon, for his assistance to the boys and girls of this country, because that is where the assistance has been really rendered.

Mr. President, I also wish to thank the Senator standing behind me, my majority leader, the Senator from Montana [Mr. MANSFIELD]. I have made reference to him early this afternoon.

Why did we get the bill enacted today? Because the Senator from Montana [Mr. MANSFIELD] made clear to all Senators for months that the Senate would not adjourn until action was taken on the higher education bill.

He has buttressed my position time and time again, and I thank him very much for his leadership in regard to the education legislation, as well as with respect to many other issues which have come before the Senate.

Mr. President, the minority leader, the Senator from Illinois [Mr. DIRKSEN] was kind enough to make some comments about me a few moments ago. I do not comment because he made those comments, but I had communicated with him previously, in private conversation, to tell him how much I appreciated his help in clearing the way for what I believe will prove to be, in the course of the educational history of our country, the most important and major piece of education legislation which has probably ever been passed by Congress—at least, a piece of legislation needfully supplementing the laws already on the books.

I thank the Senator from Illinois [Mr. DIRKSEN] once more for his able assistance.

I wish also to express my appreciation to the minority whip, the Senator from California [Mr. KUCHEL], and to the Senator from Louisiana [Mr. LONG], the majority whip.

Everyone knows the importance of this bill. We have really opened up a new vista for future generations of American boys and girls, so far as their educational opportunities are concerned.

Mr. MANSFIELD. Mr. President, it was most pleasant to stand behind the distinguished senior Senator from Oregon [Mr. MORSE] and listen to his words of praise. Unmerited though they may be, they are, nevertheless, deeply appreciated.

Mr. President, the Congress this year has been so productive, it has already passed on so much legislation of vital importance to our society, that it is hardly an exaggeration to say that each day I could rise to congratulate and thank this body for its thorough and considered treatment of a significant measure.

But, Mr. President, it is likewise no exaggeration to say that there is no domestic matter of greater importance to

the well-being of this Nation than the education of our youth.

It is for this reason that I am especially pleased to rise, on the occasion of Senate passage of the Higher Education Act of 1965, to commend the entire Senate. As is always the case, there are a number of individual Senators who bore special responsibility for this measure and who should be singled out for our very special thanks and congratulations. No one will doubt that first among such persons on this bill is the most able manager of the bill, this body's leading authority on education, the distinguished senior Senator from Oregon [Mr. MORSE]. For a number of years he has chaired the Subcommittee on Education of the Committee on Labor and Public Welfare. In that period he has time and again demonstrated an unmatched skill on matters of education; he has proposed brilliant new ideas; he has managed education bills with skill and sensitivity. In a word, he has been this body's "Mr. Education"—a title which, as he demonstrated today, he so richly deserves.

Mr. President, it is difficult to remember a bill with respect to which amendments have been more ably and cooperatively presented and debated. Obviously special congratulations for this go to a number of participants in the lively debates which took place this afternoon, among both proponents and opponents of amendments, including, especially, the junior Senator from Illinois, the distinguished minority leader [Mr. DIRKSEN], the junior Senator from Vermont [Mr. PROUTY], the senior Senator from Connecticut [Mr. DONN], the junior Senator from Colorado [Mr. DOMINICK], the senior Senator from New York [Mr. JAVITS], the senior Senator from North Carolina [Mr. ERVIN], the senior Senator from Rhode Island [Mr. PASTORE], the junior Senator from Montana [Mr. METCALF], the junior Senator from Iowa [Mr. MILLER], the Senators from Texas [Mr. YARBOROUGH and Mr. TOWER], the senior Senator from Pennsylvania [Mr. CLARK], and the senior Senator from Florida [Mr. HOLLAND]. Many others, including many members of the Education Subcommittee of the Committee on Labor and Public Welfare, offered their advice and assistance and conferred and consulted on the floor on matters being debated.

In short, to each and every Senator goes a share of praise for the Senate's praiseworthy treatment of this most important measure.

Mr. KUCHEL. Mr. President, may I, in one sentence, reecho what the leader of my party said a few moments ago, and state what I tried to say earlier in my private conversation with my friend, the senior Senator from Oregon. This is a great day for the people of the United States. I salute my friend, the Senator from Oregon, for his leadership in piloting through the Senate today what he has suggested is one of the greatest pieces of educational legislation in the history of the country.

I feel that I would be recreant if I did not rise and say that, for I look upon this as an American achievement.

AUTHORIZATION FOR SECRETARY OF THE SENATE TO RECEIVE MESSAGES, FOR COMMITTEES TO FILE REPORTS, AND FOR THE VICE PRESIDENT OR THE PRESIDENT PRO TEMPORE TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS

Mr. MANSFIELD. Mr. President, I send to the desk an order and ask that it be stated.

The VICE PRESIDENT. The order will be read.

The legislative clerk read as follows:

Ordered. That during the adjournment of the Senate until September 7, the Secretary of the Senate be authorized to receive messages from the President of the United States and the House of Representatives; that committees be authorized to file reports; and that the Vice President or the President pro tempore be authorized to sign duly enrolled bills and joint resolutions.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

APPOINTMENT OF NEW TRUSTEES IN DEEDS OF TRUST IN THE DISTRICT OF COLUMBIA

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the third reading and the vote by which the Senate passed Calendar No. 653, H.R. 647, be reconsidered and that on page 2, line 17, the word "subsections" be changed to "subsection" and that quotation marks be inserted on page 2 at the beginning of line 18 and on page 3 at the end of line 6 and that the bill H.R. 647, as thus amended, be passed.

The VICE PRESIDENT. Without objection, it is so ordered. Without objection, the third reading will be reconsidered, and the amendments will be agreed to.

The amendments were agreed to.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to consider executive business.

The VICE PRESIDENT. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to the consideration of executive business.

The VICE PRESIDENT. If there be no further reports of committees, the clerk will state the nomination on the Executive Calendar.

DEPARTMENT OF COMMERCE

The legislative clerk read the name of Eugene P. Foley to be Assistant Secretary of Commerce.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

Mr. MANSFIELD. Mr. President, it is most propitious that this nomination should be unanimously approved by the Senate while the distinguished Vice President and former Senator from Minnesota is in the chair.

Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of this nomination.

The VICE PRESIDENT. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the Senate resumed the consideration of legislative business.

TRUTH IN PACKAGING BILL IS VITAL TO CONSUMER FREE CHOICE

Mr. HART. Mr. President, a favorite weapon of opponents of the truth in packaging bill, S. 985, is a survey conducted by the Opinion Research Corp. at the request of the Grocery Manufacturers Association.

It seems that that survey concluded that 75 to 85 percent of U.S. consumers are satisfied with present packaging practices and that only 8 to 22 percent wanted specific changes. This conclusion, the bill's opponents say, proves that truth in packaging is not needed.

Now surveys, as this body well knows, can be tested on many grounds—the most obvious being to measure the slant of the questions. And several proponents of S. 985 indeed have suggested that if they had drafted the questions the NAM survey results would have been different, but of equally doubtful value if in fact the questions were slanted.

This, of course, is a rather academic argument which could go on and on and on.

But it seems to me that the president of the Maryland Consumers Council, Jack Besansky, has gone a step further and succeeded in putting the facts in perspective.

Writing in the August 11, 1965, issue of Co-op Newsletter, published by Greenbelt Consumer Services, Inc., he comments first on the phrasing on the survey's questions.

Then, while not subscribing to the manner in which the survey questions actually were phrased, he turns to evaluating the results.

Commenting on the fact that even in this disputed survey 22 percent of consumers were adjudged to want some changes in packaging, the writer made an interesting point:

To find anything on which an absolute majority can agree and also take action is almost impossible. Consider, for instance, that when Lyndon Johnson was elected to the Presidency in 1964 with one of the greatest landslides in American history, he received only 37 percent of the votes of the 114 million persons eligible to vote.

Put in that light, Mr. President, the 8 to 22 percent of consumers—which translates to 15 to 41 million Americans—seems to amount almost to a con-

sensus in favor of changes in today's packaging practices.

This comes as no surprise to me. But I wonder if it does not to the Opinion Research survey's sponsors.

Mr. President, I ask unanimous consent that the article mentioned be printed in full at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PACKAGING BILL IS VITAL TO CONSUMER FREE CHOICE

(By Jack Besansky)

Ever since Senator PHILIP A. HART introduced his bill to provide more effective regulation of packaging and labeling of consumer products, the grocery manufacturers and advertisers have been busily grinding out opinion surveys to prove that the average housewife is perfectly satisfied with existing packaging practices and does not want Government interference in the retail store.

One such example is the survey undertaken by an association called "Opinion Research Corporation," recently reported in the Silver Spring (Md.) Advertiser. I have been unable to identify this corporation or track down a copy of its survey although I have called the Advertiser for this information.

SLANTED REPORTS

Actually, this particular report is unimportant. The manufacturers association could easily supply anyone with a dozen surveys purporting to show, as this one does, that from 75 to 85 percent of all consumers are satisfied with present practices and that only 8 to 22 percent call for specific changes. They would have you believe, therefore, that "the last thing consumers want is a czar who will tell them what they can and cannot have."

Such conclusions are ridiculous but, nevertheless, the reports do raise the more perplexing question, which is: "If there are so many consumers who really want truth-in-packaging laws enacted, where are they and why don't they make themselves better heard?" The answer is that they are making themselves heard.

CONSUMER INTEREST KEEN

The publication "Consumer Reports" notes that interest in this subject is greater than that on any consumer issue during all its 31-year history. But let's not be trapped by our own statistics either. No doubt, readers of Consumer Reports are a biased sample of the consumer population by virtue of their existing interest in a magazine dedicated to a high order of consumer protection.

What then, are the fallacies, if any, in the opinion polls which the manufacturers trot out? The very first thing is that the small percentage of protest recorded does represent at least 10 million adult consumers, and that is not a negligible amount.

More to the point, however, the most common fault of opinion polls is that unless they are taken with the strictest regard for objectivity, the validity of their findings must be doubtful. It is not at all difficult to achieve the percentages you want by selecting, to fit a certain purpose, the people or the places at which you ask the questions, or, more simply, by the type of questions you ask.

For example, you might ask a person if he feels confused about package sizes or whether he feels confident that he can choose the better buy between competing brands. Chances are, 8 out of 10 times he will believe in his own competence to make independent judgments. On the other hand, ask him if he would prefer to see pancake syrup bottled in 10¼-ounce bottles or in full pint bottles, and the odds favoring the 10¼-ounce bottle will lessen.

Most importantly, percentages are not a realistic way of looking at consumer interests. The entire population of this country consists of consumers. Their specific interests are infinitely varied in kind and intensity because of the wide range of wealth, food habits, ability to sound off, etc.

CONSENSUS IMPOSSIBLE

To find anything on which an absolute majority can agree and also take action is almost impossible. Consider, for instance, that when Lyndon Johnson was elected to the Presidency in 1964 with one of the greatest landslides in American history, he received only 37 percent of the votes of all 114 million persons eligible to vote.

Thus, the important point about the truth-in-packaging bill is not whether opinion polls indicate a particular percent of consumers are concerned or not, because if they are not concerned they should be. The fact is, that without some improved regulations, they are powerless to exert their necessary influence on the production of what they want. An individual consumer can exert surprisingly little economic power in a transaction with an association of manufacturers.

MULTIPLE POWERS

More than economic power, manufacturers have greater information, greater training and greater experience regarding the transaction than the buyers. Furthermore, when reflecting on the expense of going to court versus the value of the product purchased, individual consumers may feel they cannot afford to assert their legal rights.

So it is clear that, by himself, the consumer does not dictate what the manufacturer will produce or how he will sell it. The protective mechanism of the truth-in-packaging regulation would provide a countervailing force in the market, not stripping the manufacturer of any of his power but forcing him to package his products so that contents could be easily compared with competing products.

This would truly permit the consumer to make a free choice of competing products on the basis of truthful and comparable labels and packages.

WATER DIVERSION INTO THE GREAT LAKES

Mr. HART. Mr. President, the Senator from Utah [Mr. Moss], on Tuesday, submitted a concurrent resolution—Senate Concurrent Resolution 55—relating to the diversion of surplus Arctic water. I congratulate the Senator for his energy in furthering discussion and consideration of this proposal.

A year ago last April I asked the Secretary of State to open discussions with the Canadians on the question of diversion of Canadian water into the Great Lakes. The Secretary, after receiving a go-ahead signal from the administration, did so and these discussions resulted in agreement on a joint United States-Canadian referral to the International Joint Commission.

The referral involved primarily a study of Great Lakes levels, which is now underway. However, in the agreement made last fall between the two nations, the following sentence was included:

The two Governments have agreed that when the Commission's report is received they will consider whether any examination of further measures which might alleviate the problem should be carried out, including extending the scope of the present reference.

As I pointed out at the time, the only long-term solution that makes sense in terms of the needs of the Midwest is to

89TH CONGRESS
1ST SESSION

H. R. 9567

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 2 (legislative day, SEPTEMBER 1), 1965

Ordered to be printed with the amendment of the Senate

AN ACT

To strengthen the educational resources of our colleges and universities and to provide financial assistance for students in postsecondary and higher education.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Higher Education Act
4 of 1965".

5 TITLE I—COMMUNITY SERVICE PROGRAMS

6 DECLARATION OF PURPOSE; APPROPRIATIONS AUTHORIZED

7 SEC. 101. (a) The Congress finds that a greater involve-
8 ment of institutions of higher education in the solution of

1 problems brought about by increasing urbanization is essen-
2 tial to the rapid and effective solution of such problems. The
3 Congress also finds that an increase in the availability of
4 educational offerings by institutions of higher education for
5 persons in the community is necessary in order to insure that
6 the latest knowledge and techniques are brought to bear on
7 urban and suburban problems. The Congress further finds
8 that a strengthening of the resources of institutions of higher
9 education is desirable in order to facilitate a more effective
10 utilization of such resources in meeting the growing needs of
11 our urban and suburban communities. The Congress, there-
12 fore, declares that the purpose of this title is to provide a
13 program of support for institutions of higher education in
14 their establishing and maintaining community service pro-
15 grams designed to achieve these ends.

16 (b) There are authorized to be appropriated \$50,-
17 000,000 for the fiscal year ending June 30, 1966, to enable
18 the Commissioner to make grants under this title. For the
19 fiscal year ending June 30, 1967, and each of the three suc-
20 ceeding fiscal years, there may be appropriated, to enable
21 the Commissioner to make such grants, only such sums as
22 the Congress may hereafter authorize by law.

23 DEFINITION OF COMMUNITY SERVICE PROGRAM

24 SEC. 102. For purposes of this title, the term "commu-
25 nity service program" means—

1 ~~(1)~~ an educational program, activity, or service;
2 including a research program, which is specifically de-
3 signed to assist in the solution of urban or suburban
4 problems; or

5 ~~(2)~~ an educational program, activity, or service
6 which is designed to assist in the solution of community
7 problems where the institution offering such program,
8 activity, or service determines—

9 ~~(A)~~ that the proposed program, activity, or
10 service is not otherwise available; and

11 ~~(B)~~ that the conduct of the program or per-
12 formance of the activity or service is consistent with
13 the institution's overall educational program and is
14 of such a nature as is appropriate to the effective
15 utilization of the institution's special resources and
16 the competencies of its faculty.

17 Where such an educational program, activity, or service
18 involves course offerings, such courses must be university
19 extension or continuing education courses and must be—

20 ~~(i)~~ fully acceptable toward an academic degree; or

21 ~~(ii)~~ of college level as determined by the institution
22 offering such courses;

23 except, in no event, shall such courses be of a frivolous
24 nature.

1 ~~ALLOTMENTS TO STATES~~

2 SEC. 103. (a) of the sums appropriated pursuant to
3 section 101 for each fiscal year, the Commissioner shall allot
4 \$25,000 each to Guam, American Samoa, the Common-
5 wealth of Puerto Rico, and the Virgin Islands and \$100,000
6 to each of the other States, and he shall allot to each State
7 an amount which bears the same ratio to the remainder of
8 such sums as the population of the State bears to the popula-
9 tion of all States.

10 (b) The amount of any State's allotment under sub-
11 section (a) for any fiscal year which the Commissioner de-
12 termines will not be required for such fiscal year for carry-
13 ing out the State plan (if any) approved under this title
14 shall be available for reallocation from time to time, on such
15 dates during such year as the Commissioner may fix, to other
16 States in proportion to the original allotments to such States
17 under such subsection for such year, but with such propor-
18 tionate amount for any of such States being reduced to the
19 extent it exceeds the sum the Commissioner estimates such
20 State needs and will be able to use for such year for carry-
21 ing out the State plan; and the total of such reductions shall
22 be similarly reallocated among the States whose proportionate
23 amounts were not so reduced. Any amount reallocated to a
24 State under this subsection during a year from funds appro-

1 priated pursuant to section 101 shall be deemed part of its
2 allotment under subsection (a) for such year.

3 (c) In accordance with regulations of the Commis-
4 sioner, any State may file with him a request that a specified
5 portion of its allotment under this title be added to the allot-
6 ment of another State under this title for the purpose of meet-
7 ing a portion of the Federal share of the cost of providing
8 community service programs under this title. If it is found
9 by the Commissioner that the programs with respect to which
10 the request is made would meet needs of the State making
11 the request and that use of the specified portion of such
12 State's allotment, as requested by it, would assist in carrying
13 out the purposes of this title, such portion of such State's al-
14 lotment shall be added to the allotment of the other State
15 under this title to be used for the purpose referred to above.

16 (d) The population of a State and of all the States
17 shall be determined by the Commissioner on the basis of the
18 most recent satisfactory data available from the Department
19 of Commerce.

20 USES OF ALLOTTED FUNDS

21 SEC. 104. A State's allotment under section 103 may
22 be used, in accordance with its State plan approved under
23 section 105(b), to provide new, expanded, or improved
24 community service programs.

STATE PLANS

1
2 SEC. 105. (a) Any State desiring to receive its allot-
3 ment of Federal funds under this title shall designate or
4 create a State agency or institution which has special quali-
5 fications with respect to solving community problems and
6 which is broadly representative of institutions of higher edu-
7 cation in the State which are competent to offer community
8 service programs; and shall submit to the Commissioner
9 through the agency or institution so designated a State plan.
10 If a State desires to designate for the purposes of this section
11 an existing State agency or institution which does not meet
12 these requirements, it may do so if the agency or institution
13 takes such action as may be necessary to acquire such quali-
14 fications and assure participation of such institutions; or if it
15 designates or creates a State advisory council which meets
16 the requirements not met by the designated agency or in-
17 stitution to consult with the designated agency or institution
18 in the preparation of the State plan. A State plan sub-
19 mitted under this title shall be in such detail as the Com-
20 missioner deems necessary and shall—

21 (1) provide that the agency or institution so desig-
22 nated or created shall be the sole agency for adminis-
23 tration of the plan or for supervision of the administration
24 of the plan; and provide that such agency or institution
25 shall consult with any State advisory council required

1 to be created by this section with respect to policy mat-
2 ters arising in the administration of such plan;

3 ~~(2)~~ set forth a comprehensive, coordinated, and
4 statewide system of community service programs
5 under which funds paid to the State (including funds
6 paid to an institution pursuant to section 106(b)) under
7 its allotments under section 103 will be expended solely
8 for community service programs which have been ap-
9 proved by the agency or institution administering the
10 plan;

11 ~~(3)~~ set forth the policies and procedures to be
12 followed in allocating Federal funds to institutions of
13 higher education in the State, which policies and pro-
14 cedures shall insure that due consideration will be
15 given—

16 ~~(A)~~ to the relative capacity and willingness
17 of particular institutions of higher education
18 ~~(whether public or private)~~ to provide effective
19 community service programs;

20 ~~(B)~~ to the availability of and need for com-
21 munity service programs among the population
22 within the State; and

23 ~~(C)~~ to the results of periodic evaluations of
24 the programs carried out under this title in the light

1 of information regarding current and anticipated
2 community problems in the State;

3 ~~(4)~~ set forth policies and procedures designed to
4 assure that Federal funds made available under this title
5 will be so used as not to supplant State or local funds, or
6 funds of institutions of higher education, but supplement
7 them, and, to the extent practicable, increase the
8 amounts of such funds that would in the absence of such
9 Federal funds be made available for community service
10 programs;

11 ~~(5)~~ set forth such fiscal control and fund account-
12 ing procedures as may be necessary to assure proper
13 disbursement of and accounting for Federal funds paid
14 to the State ~~(including such funds paid by the State or~~
15 ~~by the Commissioner to institutions of higher education)~~
16 under this title; and

17 ~~(6)~~ provide for making such reports in such form
18 and containing such information as the Commissioner
19 may reasonably require to carry out his functions under
20 this title, and for keeping such records and for affording
21 such access thereto as the Commissioner may find neces-
22 sary to assure the correctness and verification of such
23 reports.

24 ~~(b)~~ The Commissioner shall approve any State plan

1 and any modification thereof which complies with the provi-
2 sions of subsection ~~(a)~~.

3 PAYMENTS

4 SEC. 106. ~~(a)~~ Payment under this title shall be made
5 to those State agencies and institutions which administer
6 plans approved under section 105(b). Payments under this
7 title from a State's allotment with respect to the cost of
8 developing and carrying out its State plan shall equal 75
9 per centum of such costs for the fiscal year ending June 30,
10 1966, and 50 per centum of such costs for the fiscal year
11 ending June 30, 1967, and each of the three succeeding
12 fiscal years, except that no payments for any fiscal year shall
13 be made to any State with respect to expenditures for devel-
14 oping and administering the State plan which exceed 5 per-
15 centum of the costs for that year for which payment under
16 this subsection may be made to that State. In determining
17 the cost of developing and carrying out a State's plan, there
18 shall be excluded any cost with respect to which payments
19 were received under any other Federal program.

20 ~~(b)~~ Payments to a State under this title may be made in
21 installments and in advance or by way of reimbursement
22 with necessary adjustments on account of overpayments or
23 underpayments, and they may be paid directly to the State

1 or to one or more participating institutions of higher educa-
 2 tion designated for this purpose by the State, or to both.

3 ADMINISTRATION OF STATE PLANS

4 SEC. 107. (a) The Commissioner shall not finally dis-
 5 approve any State plan submitted under this title, or any
 6 modification thereof, without first affording the State agency
 7 or institution submitting the plan reasonable notice and
 8 opportunity for a hearing.—

9 (b) Whenever the Commissioner, after reasonable
 10 notice and opportunity for hearing to the State agency or
 11 institution administering a State plan approved under sec-
 12 tion 105(b), finds that—

13 (1) the State plan has been so changed that
 14 it no longer complies with the provisions of section
 15 105(a), or

16 (2) in the administration of the plan there is a
 17 failure to comply substantially with any such provision;
 18 the Commissioner shall notify the State agency or institution
 19 that the State will not be regarded as eligible to participate
 20 in the program under this title until he is satisfied that there
 21 is no longer any such failure to comply.

22 JUDICIAL REVIEW

23 SEC. 108. (a) If any State is dissatisfied with the Com-
 24 missioner's final action with respect to the approval of its
 25 State plan submitted under section 105(a) or with his final

1 action under section 107(b), such State may, within sixty
2 days after notice of such action, file with the United States
3 court of appeals for the circuit in which the State is located
4 a petition for review of that action. A copy of the petition
5 shall be forthwith transmitted by the clerk of the court to the
6 Commissioner. The Commissioner thereupon shall file in
7 the court the record of the proceedings on which he based
8 his action, as provided in section 2112 of title 28, United
9 States Code.

10 (b) The findings of fact by the Commissioner, if sup-
11 ported by substantial evidence, shall be conclusive; but the
12 court, for good cause shown, may remand the case to the
13 Commissioner to take further evidence, and the Commis-
14 sioner may thereupon make new or modified findings of fact
15 and may modify his previous action, and shall certify to the
16 court the record of the further proceedings. Such new or
17 modified findings of fact shall likewise be conclusive if sup-
18 ported by substantial evidence.

19 (c) The court shall have jurisdiction to affirm the action
20 of the Commissioner or to set it aside, in whole or in part.
21 The judgment of the court shall be subject to review by the
22 Supreme Court of the United States upon certiorari or certifi-
23 cation as provided in section 1254 of title 28, United States
24 Code.

1 NATIONAL ADVISORY COMMITTEE ON COMMUNITY SERVICE
2 PROGRAMS

3 SEC. 109. (a) The Commissioner shall establish in the
4 Office of Education a National Advisory Committee on
5 Community Service Programs (hereinafter referred to
6 as the "Advisory Committee"), consisting of the Commis-
7 sioner, who shall be Chairman, one representative each of
8 the Departments of Agriculture, Commerce, Defense, Labor,
9 Interior, and State, of the Housing and Home Finance
10 Agency and the Office of Economic Opportunity, and of such
11 other Federal agencies having extension education responsi-
12 bilities as the Commissioner may designate, and six members
13 appointed, for staggered terms and without regard to the
14 civil service laws, by the Commissioner with the approval of
15 the Secretary of Health, Education, and Welfare. Such six
16 members shall, to the extent possible, include persons knowl-
17 edgeable in the field of extension and continuing education,
18 State and local officials and other persons having special
19 knowledge, experience, or qualification with respect to com-
20 munity problems, and persons representative of the general
21 public. The Advisory Committee shall meet at the call of
22 the Chairman but not less often than twice a year.

23 (b) The Advisory Committee shall advise the Commis-
24 sioner in the preparation of general regulations and with
25 respect to policy matters arising in the administration of this

1 title, including policies and procedures governing the ap-
2 proval of State plans under section 105(b).

3 (c) Members of the Advisory Committee who are not
4 regular full-time employees of the United States shall, while
5 serving on the business of the Advisory Committee, be en-
6 titled to receive compensation at rates fixed by the Secre-
7 tary, but not exceeding \$100 per day, including travel time;
8 and, while so serving away from their homes or regular
9 places of business, members may be allowed travel expenses,
10 including per diem in lieu of subsistence, as authorized by
11 section 5 of the Administrative Expenses Act of 1946 (5
12 U.S.C. 73b-2) for persons in the Government service em-
13 ployed intermittently.

14 REVIEW OF COMMUNITY SERVICE PROGRAMS AND OF THE
15 PROVISIONS OF THIS TITLE

16 SEC. 110. (a) The Secretary shall, during 1968, ap-
17 point a Review Council on Community Service Programs
18 (hereafter in this title referred to as the "Council") for
19 the purpose of reviewing the administration of community
20 service programs for which funds are appropriated pursuant
21 to this title and making recommendations for the improve-
22 ment of that administration, and for purpose of reviewing the
23 effectiveness of and making recommendations with respect
24 to these community service programs and with respect to
25 this title.

1 ~~(b)~~ The Council shall be appointed by the Secretary
2 without regard to the civil service laws and shall consist of
3 twelve persons who shall, to the extent possible, include per-
4 sons knowledgeable in the field of extension and continuing
5 education, State and local officials having special knowledge,
6 experience, or qualification with respect to community prob-
7 lems, and persons representative of the general public.

8 ~~(c)~~ The Secretary is authorized to engage such technical
9 assistance as may be required to carry out the functions
10 of the Council, and the Secretary shall, in addition, make
11 available to the Council such secretarial, clerical, and other
12 assistance and such pertinent data prepared by the Depart-
13 ment of Health, Education, and Welfare as it may require
14 to carry out its functions.

15 ~~(d)~~ The Council shall make a report of its findings and
16 recommendations ~~(including recommendations for changes~~
17 ~~in the provisions of this title)~~ to the Secretary, such report
18 to be submitted not later than March 31, 1969, after which
19 date such Council shall cease to exist. The Secretary shall
20 transmit such report to the President for transmittal to the
21 Congress together with his comments and recommendations.

22 ~~(e)~~ Members of the Council who are not regular full-
23 time employees of the United States shall, while serving on
24 business of the Council, be entitled to receive compensation
25 at rates fixed by the Secretary, but not exceeding \$100 per

1 day, including travel time; and while so serving away from
 2 their homes or regular places of business, members may be
 3 allowed travel expenses, including per diem in lieu of sub-
 4 sistence, as authorized by section 5 of the Administrative
 5 Expenses Act of 1946 (~~5 U.S.C. 73b-2~~) for persons in
 6 Government service employed intermittently.

7 RELATIONSHIP TO OTHER EXTENSION PROGRAMS

8 SEC. 111. Nothing in this title shall modify authorities
 9 under the Act of February 23, 1917 (~~Smith-Hughes Voca-~~
 10 ~~tional Education Act~~), as amended (~~20 U.S.C. 11-15,~~
 11 ~~16-28~~); the Vocational Education Act of 1946, as amended
 12 (~~20 U.S.C. 15i-15m, 15o-15q, 15aa-15jj, and 15aaa-~~
 13 ~~15ggg~~); the Vocational Education Act of 1963 (~~20 U.S.C.~~
 14 ~~35-35n~~); title VIII of the Housing Act of 1964 (~~Public~~
 15 ~~Law 88-560~~); or the Act of May 8, 1914 (~~Smith-Lever~~
 16 ~~Act~~), as amended (~~7 U.S.C. 341-348~~).

17 ~~TITLE II—COLLEGE LIBRARY ASSISTANCE AND~~

18 ~~LIBRARY TRAINING AND RESEARCH~~

19 ~~PART A—COLLEGE LIBRARY RESOURCES~~

20 ~~APPROPRIATIONS AUTHORIZED~~

21 SEC. 201. There are authorized to be appropriated
 22 \$50,000,000 for the fiscal year ending June 30, 1966,
 23 to enable the Commissioner to make grants under this part
 24 to institutions of higher education to assist and encourage
 25 such institutions in the acquisition for library purposes of

1 books, periodicals, documents, magnetic tapes, phonograph
 2 records, audiovisual materials, and other related library ma-
 3 terials (including necessary binding). For the fiscal year
 4 ending June 30, 1967, and each of the three succeeding fiscal
 5 years, there may be appropriated, to enable the Commis-
 6 sioner to make such grants, only such sums as the Congress
 7 may hereafter authorize by law.

8 BASIC GRANTS

9 SEC. 202. From 75 per centum of the sums appropriated
 10 pursuant to section 201 for any fiscal year, the Commissioner
 11 is authorized to make basic grants for the purposes set forth
 12 in that section to institutions of higher education and com-
 13 binations of such institutions. The amount of a basic grant
 14 shall not exceed \$5,000 for each such institution, and a
 15 basic grant under this subsection may be made only if the
 16 application therefor is approved by the Commissioner upon
 17 his determination that the application (whether by an in-
 18 dividual institution or a combination of institutions)—

19 (a) provides satisfactory assurance that the appli-
 20 cant will expend during the fiscal year for which the
 21 grant is requested (from funds other than funds received
 22 under this part) for all library purposes (exclusive of
 23 construction) (1) an amount not less than the average
 24 annual amount it expended for such purposes during
 25 the two-year period ending June 30, 1965, and (2) an

1 amount ~~(from such other sources)~~ equal to not less than
2 the amount of such grant;

3 ~~(b)~~ provides satisfactory assurance that the appli-
4 cant will expend during the fiscal year for which the
5 grant is requested ~~(from funds other than funds received~~
6 ~~under this part)~~ for books, periodicals, documents, mag-
7 netic tapes, phonograph records, audiovisual materials,
8 and other related materials ~~(including necessary bind-~~
9 ~~ing)~~ for library purposes an amount not less than the
10 average annual amount it expended for such materials
11 during the two-year period ending June 30, 1965;

12 ~~(c)~~ provides for such fiscal control and fund ac-
13 counting procedures as may be necessary to assure
14 proper disbursement of and accounting for Federal funds
15 paid to the applicant under this section; and

16 ~~(d)~~ provides for making such reports, in such form
17 and containing such information, as the Commissioner
18 may require to carry out his functions under this section,
19 and for keeping such records and for affording such access
20 thereto as the Commissioner may find necessary to as-
21 sure the correctness and verification of such reports.

22 SUPPLEMENTAL GRANTS

23 SEC. 203. ~~(a)~~ From the remainder of such 75 per
24 centum of the sums appropriated pursuant to section 201 for

1 any fiscal year, the Commissioner is authorized to make sup-
2 plemental grants for the purposes set forth in that section to
3 institutions of higher education and combinations of such in-
4 stitutions. The amount of a supplemental grant shall not
5 exceed \$10 for each full-time student (including the full-
6 time equivalent of the number of part-time students) en-
7 rolled in each such institution, as determined pursuant to
8 regulations of the Commissioner. A supplemental grant
9 may be made only upon application therefor, in such form
10 and containing such information as the Commissioner may
11 require, which application shall—

12 (1) meet the application requirements set forth in
13 section 202 except for the matching requirement set
14 forth in paragraph (a)-(2) of that section;

15 (2) describe the size and quality of the library
16 resources of the applicant in relation to its present en-
17 rollment and any expected increase in its enrollment;

18 (3) set forth any special circumstances which are
19 impeding or will impede the proper development of its
20 library resources; and

21 (4) provide a general description of how a supple-
22 mental grant would be used to improve the size or
23 quality of its library resources.

24 (b) The Commissioner shall approve applications for
25 supplemental grants on the basis of basic criteria prescribed

1 in regulations and developed after consultation with the
2 Council created under section 205. Such basic criteria shall
3 be such as will best tend to achieve the objectives of this part
4 and they may take into consideration factors such as the size
5 and age of the library collection, student enrollment, and
6 endowment and other financial resources.

7 SPECIAL PURPOSE GRANTS

8 SEC. 204. Twenty-five per centum of the sums appro-
9 priated pursuant to section 201 for each fiscal year, plus any
10 part of the remainder of such sums as the Commissioner
11 determines will not be needed for making grants under sec-
12 tions 202 and 203, shall be used by the Commissioner to
13 make special grants (a) to institutions of higher education
14 which demonstrate a special need for additional library re-
15 sources and which demonstrate that such additional library
16 resources will make a substantial contribution to the quality
17 of their educational resources; (b) to institutions of higher
18 education to meet special national or regional needs in the
19 library and information sciences; and (c) to combinations of
20 institutions of higher education which need special assistance
21 in establishing joint-use facilities. Grants under this section
22 may be used only for books, periodicals, documents, magnetic
23 tapes, phonograph records, audiovisual materials, and other
24 related library materials (including necessary binding).

1 ~~ADVISORY COUNCIL ON COLLEGE LIBRARY RESOURCES~~

2 ~~SEC. 205. (a) The Commissioner shall establish in the~~
3 ~~Office of Education an Advisory Council on College Library~~
4 ~~Resources consisting of the Commissioner, who shall be~~
5 ~~Chairman, and eight members appointed, without regard to~~
6 ~~the civil service laws, by the Commissioner with the ap-~~
7 ~~proval of the Secretary.~~

8 ~~(b) The Advisory Council shall advise the Commis-~~
9 ~~sioner with respect to establishing criteria for the making of~~
10 ~~supplemental grants under section 203 and the making of~~
11 ~~special purpose grants under section 204. The Commis-~~
12 ~~sioner may appoint such special advisory and technical ex-~~
13 ~~perts and consultants as may be useful in carrying out the~~
14 ~~functions of the Advisory Council.~~

15 ~~(c) Members of the Advisory Council, while serving on~~
16 ~~business of the Advisory Council, shall receive compensation~~
17 ~~at a rate to be fixed by the Secretary, but not exceeding~~
18 ~~\$100 per day, including travel time; and, while so serving~~
19 ~~away from their homes or regular places of business, they~~
20 ~~may be allowed travel expenses, including per diem in lieu~~
21 ~~of subsistence, as authorized by section 5 of the Administra-~~
22 ~~tive Expenses Act of 1946 (5 U.S.C. 73b-2) for persons~~
23 ~~in the Government service employed intermittently.~~

1 ACCREDITATION REQUIREMENT FOR PURPOSES OF THIS
2 PART

3 SEC. 206. For the purposes of this part, an educational
4 institution shall be deemed to have been accredited by a
5 nationally recognized accrediting agency or association if the
6 Commissioner determines that there is satisfactory assurance
7 that upon acquisition of the library resources with respect to
8 which assistance under this part is sought, or upon acquisition of those resources and other library resources planned
9 to be acquired within a reasonable time, the institution will
10 meet the accreditation standards of such agency or association.
11
12

13 LIMITATION

14 SEC. 207. No grant may be made under this part for
15 books, periodicals, documents, or other related materials to
16 be used for sectarian instruction or religious worship, or
17 primarily in connection with any part of the program of a
18 school or department of divinity.—For purposes of this section, the term “school or department of divinity” means an
19 institution or a department or branch of an institution whose
20 program is specifically for the education of students to prepare them to become ministers of religion or to enter upon
21
22

1 some other religious vocation, or to prepare them to teach
2 theological subjects.

3 CONSULTATION WITH STATE AGENCY

4 SEC. 208. Each institution of higher education which
5 receives a grant under this part shall consult with respect to
6 its activities under this part with the State agency (if any)
7 which is concerned with the educational activities of all insti-
8 tutions of higher education in the State in which the recipient
9 institution is located.

10 PART B—LIBRARY TRAINING AND RESEARCH

11 APPROPRIATIONS AUTHORIZED

12 SEC. 221. There are authorized to be appropriated
13 \$15,000,000 for the fiscal year ending June 30, 1966, for
14 the purpose of carrying out this part. For the fiscal year
15 ending June 30, 1967, and each of the three succeeding fiscal
16 years, there may be appropriated for such purpose only such
17 sums as the Congress may hereafter authorize by law.

18 DEFINITION OF "LIBRARIANSHIP"

19 SEC. 222. For the purposes of this part the term "li-
20 brarianship" means the principles and practices of the library
21 and information sciences, including the acquisition, organiza-
22 tion, storage, retrieval, and dissemination of information, and
23 referee and research use of library and other information
24 resources.

GRANTS FOR TRAINING IN LIBRARIANSHIP

SEC. 223. (a) The Commissioner is authorized to make grants to institutions of higher education to assist them in training persons in librarianship. Such grants may be used by such institutions to assist in covering the cost of courses of training or study for such persons, and for establishing and maintaining fellowships or traineeships with stipends (including allowances for traveling, subsistence, and other expenses) for fellows and others undergoing training and their dependents not in excess of such maximum amounts as may be prescribed by the Commissioner.

(b) The Commissioner may make a grant to an institution of higher education only upon application by the institution and only upon his finding that such program will substantially further the objective of increasing the opportunities throughout the Nation for training in librarianship.

RESEARCH AND DEMONSTRATIONS RELATING TO LIBRARIES

AND THE TRAINING OF LIBRARY PERSONNEL

SEC. 224. (a) The Commissioner is authorized to make grants to institutions of higher education and other public or private agencies, institutions, and organizations, for research and demonstration projects relating to the improvement of libraries or the improvement of training in librarianship, including the development of new techniques, systems,

1 and equipment for processing, storing, and distributing
2 information, and for the dissemination of information derived
3 from such research and demonstrations, and, without regard
4 to section 3709 of the Revised Statutes (41 U.S.C. 5), to
5 provide by contracts with them for the conduct of such
6 activities; except that no such grant may be made to a
7 private agency, organization, or institution other than a
8 nonprofit one.

9 (b) The Commissioner is authorized to appoint a special
10 advisory committee of not more than nine members to advise
11 him on matters of general policy concerning research and
12 demonstration projects relating to the improvement of
13 libraries and the improvement of training in librarianship,
14 or concerning special services necessary thereto or special
15 problems involved therein.

16 (c) Members of the committee appointed under this
17 section who are not regular full-time employees of the United
18 States shall, while serving on the business of the committee,
19 be entitled to receive compensation at rates fixed by the
20 Commissioner, but not in excess of \$100 per diem, including
21 travel time; and they may, while so serving away from their
22 homes or regular places of business, be allowed travel ex-
23 penses, including per diem in lieu of subsistence, as authorized
24 by section 5 of the Administrative Expenses Act of 1946

1 ~~(5 U.S.C. 73b-2)~~ for persons in the Government service
2 employed intermittently.

3 **REPEALER**

4 SEC. 225. Effective July 1, 1965, section 1101 of the
5 National Defense Education Act of 1958 is amended by
6 adding the word "or" at the end of clause ~~(2)~~, by striking
7 out clause ~~(3)~~, and by renumbering clause ~~(4)~~ as clause
8 ~~(3)~~.

9 **PART C—STRENGTHENING COLLEGE AND RESEARCH**

10 **LIBRARY RESOURCES**

11 **APPROPRIATIONS AUTHORIZED**

12 SEC. 231. There are hereby authorized to be appro-
13 priated \$5,000,000 for the fiscal year ending June 30, 1966,
14 to enable the Commissioner to transfer funds to the Librarian
15 of Congress for the purpose of—

16 ~~(a)~~ acquiring, so far as possible, all library mate-
17 rials currently published throughout the world which are
18 of value to scholarship; and

19 ~~(b)~~ providing catalog information for such mate-
20 rials promptly after receipt, and using for exchange and
21 other purposes such of these materials as are not needed
22 for the Library of Congress collection.

23 For the fiscal year ending June 30, 1967, and each of the
24 three succeeding fiscal years, there may be appropriated,

1 to enable the Commissioner to transfer funds to the Librarian
 2 of Congress for such purpose, only such sums as the Congress
 3 may hereafter authorize by law.

4 TITLE III—STRENGTHENING DEVELOPING 5 INSTITUTIONS

6 STATEMENT OF PURPOSE, AND APPROPRIATIONS

7 AUTHORIZED

8 SEC. 301. (a) The purpose of this title is to assist in
 9 raising the academic quality of colleges which have the
 10 desire and potential to make a substantial contribution to the
 11 higher education resources of our Nation but which for finan-
 12 cial and other reasons are struggling for survival and are
 13 isolated from the main currents of academic life, and to do
 14 so by enabling the Commissioner to establish a national
 15 teaching fellow program and to encourage and assist in the
 16 establishment of cooperative arrangements under which these
 17 colleges may draw on the talent and experience of our finest
 18 colleges and universities, and on the educational resources
 19 of business and industry, in their effort to improve their
 20 academic quality.

21 (b) There are authorized to be appropriated \$30,000,—
 22 000 for the fiscal year ending June 30, 1966, to carry out
 23 the provisions of this title. For the fiscal year ending June
 24 30, 1967, and each of the three succeeding fiscal years, there

1 may be appropriated, to carry out such provisions, only such
2 sums as the Congress may hereafter authorize by law.

3 DEFINITION OF "DEVELOPING INSTITUTION"

4 SEC. 302. As used in this title the term "developing
5 institution" means a public or nonprofit educational institu-
6 tion in any State which—

7 (a) admits as regular students only persons having
8 a certificate of graduation from a school providing sec-
9 ondary education, or the recognized equivalent of such a
10 certificate;

11 (b) is legally authorized to provide, and provides
12 within the State, an educational program for which it
13 awards a bachelor's degree;

14 (c) will, by the end of the academic year for which
15 it seeks assistance under this title, have awarded a bache-
16 lor's degree for six consecutive academic years;

17 (d) is accredited by a nationally recognized accred-
18 iting agency or association determined by the Com-
19 missioner to be reliable authority as to the quality of
20 training offered or is, according to such an agency or
21 association, making reasonable progress toward accredi-
22 tation;

23 (e) is making a reasonable effort to improve the

1 quality of its teaching and administrative staffs and of
2 its student services;

3 ~~(f)~~ is seriously handicapped in its efforts to improve
4 such staffs and services by lack of financial resources
5 and a shortage of qualified professional personnel;

6 ~~(g)~~ meets such other requirements as the Com-
7 missioner may prescribe by regulation; and

8 ~~(h)~~ is not an institution, or department or branch
9 of an institution, whose program is specifically for the
10 education of students to prepare them to become min-
11 isters of religion or to enter upon some other religious
12 vocation or to prepare them to teach theological subjects.

13 ADVISORY COUNCIL ON DEVELOPING INSTITUTIONS

14 SEC. 303. ~~(a)~~ The Commissioner shall establish in the
15 Office of Education an Advisory Council on Developing
16 Institutions ~~(hereinafter in this title referred to as the~~
17 “Council”); consisting of the Commissioner, who shall be
18 Chairman, one representative each of such Federal agencies
19 having responsibilities with respect to developing institu-
20 tions as the Commissioner may designate, and eight mem-
21 bers appointed, without regard to the civil service laws,
22 by the Commissioner with the approval of the Secretary.

23 ~~(b)~~ The Council shall advise the Commissioner with
24 respect to policy matters arising in the administration of
25 this title and in particular shall assist the Commissioner

1 in identifying those developing institutions through which
2 the purposes of this title can best be achieved and in estab-
3 lishing priorities for use in approving applications under
4 this title. The Commissioner may appoint such special
5 advisory and technical experts and consultants as may be
6 useful in carrying out the functions of the Council.

7 ~~(c)~~ Members of the Council who are not otherwise
8 full-time employees of the United States shall, while serv-
9 ing on business of the Council, receive compensation at
10 a rate to be fixed by the Secretary, but not exceeding
11 \$100 per day, including travel time; and, while so serving
12 away from their homes or regular places of business, mem-
13 bers may be allowed travel expenses, including per diem
14 in lieu of subsistence, as authorized by section 5 of the
15 Administrative Expenses Act of 1946 ~~(5 U.S.C. 73b-2)~~
16 for persons in the Government service employed inter-
17 mittently.

18 GRANTS FOR COOPERATIVE AGREEMENTS TO STRENGTHEN

19 DEVELOPING INSTITUTIONS

20 SEC. 304. ~~(a)~~ The Commissioner is authorized to make
21 grants to developing institutions and other colleges and uni-
22 versities to pay part of the cost of planning, developing, and
23 carrying out cooperative arrangements which show promise
24 as effective measures for strengthening the academic pro-
25 grams of developing institutions. Such cooperative arrange-

1 ments may be between developing institutions, between de-
2 veloping institutions and other colleges and universities, and
3 between developing institutions and organizations, agencies,
4 and business entities. Grants under this section may be used
5 for projects and activities such as—

6 (1) exchange of faculty or students, including ar-
7 rangements for bringing visiting scholars to developing
8 institutions;

9 (2) faculty improvement programs utilizing train-
10 ing, education, internships, research participation, and
11 other means;

12 (3) introduction of new curriculums and curricular
13 materials;

14 (4) development and operation of cooperative edu-
15 cation programs involving alternate periods of academic
16 study and business or public employment;

17 (5) joint use of facilities such as libraries or labora-
18 tories, including necessary books, materials, and equip-
19 ment; and

20 (6) other arrangements which offer promise of
21 strengthening the academic programs of developing in-
22 stitutions.

23 (b) A grant may be made under this section only upon
24 application to the Commissioner at such time or times and

1 containing such information as he deems necessary. The
2 Commissioner shall not approve an application unless it—

3 ~~(1)~~ sets forth a program for carrying out one or
4 more projects or activities which meet the requirements
5 of subsection ~~(a)~~ and provides for such methods of ad-
6 ministration as are necessary for the proper and efficient
7 operation of the program;

8 ~~(2)~~ sets forth policies and procedures which assure
9 that Federal funds made available under this section
10 for any fiscal year will be so used as to supplement and,
11 to the extent practical, increase the level of funds that
12 would, in the absence of such Federal funds, be made
13 available for purposes which meet the requirements of
14 subsection ~~(a)~~; and in no case supplant such funds;

15 ~~(3)~~ provides for such fiscal control and fund ac-
16 counting procedures as may be necessary to assure
17 proper disbursement of and accounting for Federal funds
18 paid to the applicant under this section; and

19 ~~(4)~~ provides for making such reports, in such form
20 and containing such information, as the Commissioner
21 may require to carry out his functions under this title,
22 and for keeping such records and for affording such
23 access thereto as the Commissioner may find necessary
24 to assure the corrections and verification of such reports.

1 (e) The Commissioner shall, after consultation with
2 the Council, establish criteria as to eligible expenditures for
3 which grants made under this section may be used, which
4 criteria shall be so designed as to prevent the use of such
5 grants for expenditures not necessary to the achievement of
6 the purposes of this part.

7 NATIONAL TEACHING FELLOWSHIPS

8 SEC. 305. (a) The Commissioner is authorized to award
9 fellowships under this section to highly qualified graduate
10 students and junior members of the faculty of colleges and
11 universities, to encourage such individuals to teach at de-
12 veloping institutions. The Commissioner shall award a fel-
13 lowship to an individual for teaching at a developing institu-
14 tion only upon application by an institution approved for this
15 purpose by the Commissioner and only upon a finding by the
16 Commissioner that the program of teaching set forth in the
17 application is reasonable in the light of the qualifications of
18 the teaching fellow and of the educational needs of the
19 applicant.

20 (b) Fellowships may be awarded under this section for
21 such period of teaching as the Commissioner may determine,
22 but such period shall not exceed two academic years or ex-
23 tend beyond June 30, 1970. Each person awarded a fel-
24 lowship under the provisions of this section shall receive a
25 stipend for each academic year of teaching of not more than

1 \$6,500 as determined by the Commissioner upon the advice
 2 of the Council, plus an additional amount of \$400 for each
 3 such year for each of his dependents.

4 TITLE IV—STUDENT ASSISTANCE

5 PART A—EDUCATIONAL OPPORTUNITY GRANTS

6 AUTHORIZATION OF APPROPRIATIONS

7 SEC. 401. (a) The first sentence of section 201 of the
 8 National Defense Education Act of 1958 is amended (1) by
 9 inserting after “low-interest loans” the following: “and (ex-
 10 cept in the case of a school which does not meet the require-
 11 ments of section 103(b)-(5)) initial year awards of educa-
 12 tional opportunity grants”, (2) by striking out “\$179,300,
 13 000” and inserting in lieu thereof “\$253,300,000”, (3) by
 14 striking out “\$190,000,000” and inserting in lieu thereof
 15 “\$266,600,000”, and (4) by striking out “\$195,000,000”
 16 and inserting in lieu thereof “\$280,000,000”.

17 (b) Such section is further amended by inserting after
 18 the first sentence thereof the following new sentence: “There
 19 are further authorized to be appropriated for the fiscal year
 20 ending June 30, 1967, and each of the six succeeding fiscal
 21 years, such sums as may be necessary to make contributions
 22 to student loan funds equal to the amount necessary to enable
 23 institutions of higher education to make educational oppor-
 24 tunity grants provided for under section 206 to students for

1 academic years other than the initial year for which they are
2 awarded the grant.”

3 ALLOTMENTS

4 SEC. 402. Subsections (a) and (b) of section 202 of
5 such Act are each amended by inserting after “pursuant to”
6 the following: “the first sentence of”.

7 FEDERAL CAPITAL CONTRIBUTIONS

8 SEC. 403. (a) The first and second sentences of section
9 203 of such Act are amended by inserting after “allotment of
10 such State” each time it appears the following: “under sec-
11 tion 202”.

12 (b) Such section is further amended by designating the
13 first three sentences thereof as subsection (a), by desig-
14 nating the fourth sentence thereof as subsection (c) and by
15 inserting after subsection (a) the following new subsection:

16 “(b) From the sums appropriated pursuant to the au-
17 thorization contained in the second sentence of section 201
18 for a fiscal year, the Commissioner shall make a capital
19 contribution to each institution with which he has an agree-
20 ment under this title equal to the amount such institution
21 determines that it needs in order to make educational op-
22 portunity grants, as provided in this title, to students who
23 have received such a grant for one or more preceding aca-
24 demic years, except that, if the sums so appropriated are
25 less than the amount necessary to enable all such institutions

1 to receive the amount they determine they need for such
 2 grants, the Commissioner shall reduce the amount of each
 3 institution's capital contribution under this subsection pro
 4 rata."

5 CONDITIONS OF AGREEMENTS

6 SEC. 404. ~~(a)~~ Clause ~~(B)~~ of paragraph ~~(2)~~ of section
 7 204 of such Act is amended to read as follows: "~~(B)~~ an
 8 amount, contributed by such institution, equal to not less
 9 than one-ninth of 75 per centum of the Federal capital con-
 10 tributions made under section 203(a),".

11 ~~(b)~~ Paragraph ~~(3)~~ of such section is amended by
 12 inserting after "only for loans" the following: "and ~~(except~~
 13 in the case of a school which does not meet the requirements
 14 of section ~~103(b)(5)~~ educational opportunity grants".

15 Section 204 is further amended by inserting "~~(a)~~"
 16 after "SEC. 204." and by adding at the end thereof the fol-
 17 lowing new subsection:

18 "~~(b)~~ Where an institution uses funds under this title
 19 for the awarding of educational opportunity grants such
 20 agreement shall—

21 "~~(1)~~ provide that educational opportunity grants
 22 will be made only in accordance with section 206 to
 23 students who are or will be pursuing their course of study
 24 on a full-time basis;

25 "~~(2)~~ provide that the institution, in cooperation

1 with other institutions of higher education where appro-
2 priate, will make vigorous efforts to identify qualified
3 youths of exceptional financial need and to encourage
4 them to continue their education beyond secondary school
5 through programs and activities such as—

6 “(A) establishing or strengthening close work-
7 ing relationships with secondary school principals
8 and guidance and counseling personnel with a view
9 toward motivating students to complete secondary
10 school and pursue post-secondary-school educational
11 opportunities; and

12 “(B) making, to the extent feasible, condi-
13 tional commitments for educational opportunity
14 grants to qualified secondary school students with
15 special emphasis on students enrolled in grade 11 or
16 lower grades who show evidences of academic or
17 creative promise;

18 “(3) provide assurance that the institution will
19 continue to spend in its own scholarship and student aid
20 program, from sources other than funds received under
21 this title, not less than the average expenditure per year
22 made for that purpose during the most recent period of
23 three fiscal years preceding the first fiscal year during
24 which grants are to be made under the agreement.”

EDUCATIONAL OPPORTUNITY GRANTS

SEC. 405. Title II of such Act is amended by redesignating sections 206, 207, 208, and 209 as sections 209, 210, 211, and 212, respectively, and by inserting after section 205 the following new sections:

“EDUCATIONAL OPPORTUNITY GRANTS

“SEC. 206. (a) Educational opportunity grants made by institutions of higher education from student loan funds established pursuant to an agreement under this title shall be made only to students who the institution of higher education determines (1) show evidence of academic or creative promise and capability of maintaining good standing in their course of study, (2) are of exceptional financial need, (3) are eligible for a loan from such fund, and (4) would not, but for an educational opportunity grant, be financially able to pursue a course of study at such institution of higher education.

“(b) The duration of an educational opportunity grant awarded under this title shall be the period required for completion by the recipient of his undergraduate course of study at the institution of higher education from which he received the grant award, except that such period shall not exceed four academic years, less any such period with respect to which the recipient has previously received pay-

1 ments under this title pursuant to a prior educational oppor-
2 tunity grant (whether made by the same or another in-
3 stitution).

4 “(c) An institution of higher education which awards
5 an educational opportunity grant to a student under this title
6 shall, for the duration of the educational opportunity grant,
7 pay to that student for each academic year during which he
8 is in need of grant assistance to pursue a course of study at
9 the institution, an amount determined by the institution for
10 such student with respect to that year, which amount shall
11 not exceed the lesser of \$800 or one-half of the sum of the
12 amount of student financial aid (including assistance under
13 this title, but excluding assistance from work-study pro-
14 grams) provided such student by such institution and any
15 assistance provided such student under any scholarship pro-
16 gram established by a State or a private institution or
17 organization, as determined in accordance with regulation
18 of the Commissioner. If the amount of the payment
19 determined under the preceding sentence for an academic
20 year is less than \$200 for a students, no payment shall
21 be made under this title to that student for that year. The
22 Commissioner shall, subject to the foregoing limitations, pre-
23 scribe for the guidance of participating institutions basic
24 criteria or schedules (or both) for the determination of the
25 amount of any such educational opportunity grant, taking

1 into account the objective of limiting grant aid under this
 2 title to students of exceptional financial need and such other
 3 factors, including the number of dependents in the family,
 4 as the Commissioner may deem relevant.

5 "LIMITATIONS ON GRANTS

6 "SEC. 207. The aggregate amount of educational oppor-
 7 tunity grants made by an institution of higher education in
 8 a fiscal year to undergraduate students who have not received
 9 such a grant for any preceding fiscal year may not exceed
 10 25 per centum of the Federal capital contribution made to
 11 the student loan fund for that fiscal year from funds allotted
 12 to such State under the first sentence of section 202(a) or
 13 reallocated to such State under the third sentence of section
 14 203(a).

15 "CONTRACTS TO ENCOURAGE FULL UTILIZATION OF EDU- 16 CATIONAL TALENT

17 "SEC. 208. (a) To assist in achieving the purposes of
 18 this title the Commissioner is authorized (without regard to
 19 section 3709 of the Revised Statutes (41 U.S.C. 5)), to
 20 enter into contracts, not to exceed \$100,000 per contract per
 21 year, with State and local educational agencies and other
 22 public or nonprofit organizations and institutions for the
 23 purpose of—

24 "(1) identifying qualified youths of exceptional
 25 financial need and encouraging them to complete second-

1 ary school and undertake postsecondary educational
2 training;

3 “(2) publicizing existing forms of student financial
4 aid, including aid furnished under this title; or

5 “(3) encouraging secondary school or college drop-
6 outs of demonstrated aptitude to reenter educational
7 programs, including postsecondary school programs.

8 “(b) There are hereby authorized to be appropriated
9 such sums as may be necessary to carry out this section.”

10 DISTRIBUTIONS FROM STUDENT LOAN FUNDS

11 SEC. 406. Section 209 of such Act (as redesignated by
12 section 405 of this Act) is amended by adding at the end
13 thereof the following new subsection:

14 “(d) In computing the amount of the Federal capital
15 contribution to a student loan fund for the purposes of this
16 section there shall be deducted from the Federal capital con-
17 tributions made to such fund under section 203 an amount
18 equal to the total of educational opportunity grants made
19 from such fund.”

20 AMENDMENTS TO DEFINITIONS

21 SEC. 407. (a) Section 103(b) of such Act is amended
22 to read as follows:

23 “(b) The term ‘institution of higher education’ means
24 an educational institution in any State which (1) admits as

1 regular students only persons having a certificate of gradua-
2 tion from a school providing secondary education, or the
3 recognized equivalent of such certificate, (2) is legally
4 authorized within such State to provide a program of educa-
5 tion beyond secondary education, (3) provides an educa-
6 tional program for which it awards a bachelor's degree or
7 provides not less than a two-year program which is accept-
8 able for full credit toward such a degree, (4) is a public
9 or other nonprofit institution, and (5) is accredited by a
10 nationally recognized accrediting agency or association ap-
11 proved by the Commissioner for this purpose or, if not so
12 accredited, (A) is an institution with respect to which the
13 Commissioner has determined that there is satisfactory assur-
14 ance, considering the resources available to the institution,
15 the period of time, if any, during which it has operated, the
16 effort it is making to meet accreditation standards, and the
17 purpose for which this determination is being made, that the
18 institution will meet the accreditation standards of such an
19 agency or association within a reasonable time, or (B) is an
20 institution whose credits are accepted on transfer by not less
21 than three institutions which are so accredited, for credit on
22 the same basis as if transferred from an institution so ac-
23 credited. For purposes of title II, such term includes any

1 school of nursing as defined in subsection ~~(1)~~ of this section;
2 and also includes any school which provides not less than a
3 one-year program of training to prepare students for gainful
4 employment in a recognized occupation and which meets
5 the provisions of clauses ~~(1)~~, ~~(2)~~, ~~(4)~~, and ~~(5)~~. If the
6 Commissioner determines that a particular category of such
7 schools does not meet the requirements of clause ~~(5)~~ because
8 there is no nationally recognized accrediting agency or asso-
9 ciation qualified to accredit schools in such category, he shall,
10 pending the establishment of such an accrediting agency or
11 association, appoint an advisory committee, composed of per-
12 sons specially qualified to evaluate training provided by
13 schools in such category, which shall (i) prescribe the stand-
14 ards of content, scope, and quality which must be met in
15 order to qualify schools in such category to participate in the
16 student loan program under title II, and (ii) determine
17 whether particular schools not meeting the requirements of
18 clause ~~(5)~~ meet those standards. For purposes of this sub-
19 section, the Commission shall publish a list of nationally
20 recognized accrediting agencies which he determines to be
21 reliable authority as to the quality of training offered."

1 PART B—~~FEDERAL, STATE, AND PRIVATE PROGRAMS OF~~
2 ~~LOW-INTEREST INSURED LOANS TO STUDENTS IN IN-~~
3 ~~STITUTIONS OF HIGHER EDUCATION~~

4 STATEMENT OF PURPOSE AND APPROPRIATIONS
5 AUTHORIZED

6 SEC. 421. ~~(a)~~ The purpose of this part is to enable
7 the Commissioner ~~(1)~~ to encourage States and nonprofit
8 private institutions and organizations to establish adequate
9 loan insurance programs for students in eligible institutions
10 ~~(as defined in section 434)~~, ~~(2)~~ to provide a Federal pro-
11 gram of student loan insurance for students who do not have
12 reasonable access to a State or private nonprofit program
13 of student loan insurance covered by an agreement under
14 section 428(b), and ~~(3)~~ to pay a portion of the interest
15 on loans to qualified students which are made by a State
16 or which are insured under this part or under a program of a
17 State or of a nonprofit private institution or organization
18 which meets the requirements of section 428(a)(1)(A).

19 ~~(b)~~ For the purpose of carrying out this part—

20 ~~(1)~~ there are authorized to be appropriated to the
21 student loan insurance fund ~~(established by section 431)~~

1 ~~(A)~~ the sum of \$1,000,000, and ~~(B)~~ such further sums.
 2 if any, as may become necessary for the adequacy of the
 3 student loan insurance fund,

4 ~~(2)~~ there are authorized to be appropriated, for
 5 payments under section 428 with respect to interest on
 6 student loans, such sums for the fiscal year ending
 7 June 30, 1966, and succeeding fiscal years, as may be
 8 required therefor, and

9 ~~(3)~~ there are authorized to be appropriated the
 10 sum of \$17,500,000 for making advances pursuant to
 11 section 422 for the reserve funds of State and nonprofit
 12 private student loan insurance programs.

13 Sums appropriated under clauses ~~(1)~~ and ~~(2)~~ of this sub-
 14 section shall remain available until expended, and sums ap-
 15 propriated under clause ~~(3)~~ of this subsection shall remain
 16 available for advances under section 422 until the close of
 17 the fiscal year ending June 30, 1968.

18 ADVANCES FOR RESERVE FUNDS OF STATE AND NONPROFIT

19 PRIVATE LOAN INSURANCE PROGRAMS

20 SEC. 422. ~~(a)~~ ~~(1)~~ From the sums appropriated pursu-
 21 ant to clause ~~(3)~~ of section 421(b), the Commissioner is
 22 authorized to make advances to any State with which he
 23 has made an agreement pursuant to section 428(b) for the
 24 purpose of helping to establish or strengthen the reserve fund
 25 of the student loan insurance program covered by that agree-

1 ment. If for any of the fiscal years ending June 30, 1966,
2 June 30, 1967, or June 30, 1968, State does not have a
3 student loan insurance program covered by an agreement
4 made pursuant to section 428(b), and the Commissioner
5 determines after consultation with the chief executive officer
6 of that State that there is no reasonable likelihood that the
7 State will have such a student loan insurance program for
8 such year, the Commissioner may make advances for such
9 year for the same purpose to one or more nonprofit private
10 institutions or organization with which he has made an
11 agreement pursuant to section 428(b) in order to enable
12 students in that State to participate in a program of student
13 loan insurance covered by such an agreement. The Commis-
14 sioner may make advances under this subsection both to a
15 State program (with which he has such an agreement) and
16 to one or more nonprofit private institutions or organizations
17 (with which he has such an agreement) in that State if he
18 determines that such advances are necessary in order that
19 students at every eligible institution have access through such
20 institution to a student loan insurance program which meets
21 the requirements of section 428(b)(1).

22 (2) Advances pursuant to this subsection shall be upon
23 such terms and conditions (including conditions relating to
24 the time or times of payment) consistent with the require-

1 ments of section 428(b) as the Commissioner determines
2 will best carry out the purposes of this section. Advances
3 made by the Commissioner under this subsection shall be
4 repaid within such period as the Commissioner may deem to
5 be appropriate in each case in the light of the maturity and
6 solvency of the reserve fund for which the advance was
7 made.

8 (b) The total of the advances to any State pursuant to
9 subsection (a) may not exceed an amount which bears the
10 same ratio to $2\frac{1}{2}$ per centum of \$700,000,000 as the
11 population of that State aged eighteen to twenty-two,
12 inclusive, bears to the total population of all the States aged
13 eighteen to twenty-two, inclusive. If the amount so deter-
14 mined for any State, however, is less than \$25,000, it shall
15 be increased to \$25,000 and the total of the increases thereby
16 required shall be derived by proportionately reducing (but
17 not below \$25,000) the amount so determined for each of the
18 remaining States. Advances to nonprofit private institu-
19 tions and organizations pursuant to subsection (a) may be
20 in such amounts as the Commissioner determines will best
21 achieve the purposes for which they are made, except that
22 the sum of (1) advances to such institutions and organiza-
23 tions for the benefit of students in any State plus (2) the
24 amounts advanced to such State, may not exceed the maxi-
25 mum amount which may be advanced to that State pursuant

1 to the first two sentences of this subsection. For the pur-
2 poses of this subsection, the population aged eighteen to
3 twenty-two, inclusive, of each State and of all the States shall
4 be determined by the Commissioner on the basis of the most
5 recent satisfactory data available to him.

6 **EFFECT OF ADEQUATE NON-FEDERAL PROGRAMS**

7 **SEC. 423.** The Commissioner shall not issue certificates
8 of insurance under section 429 to lenders in a State if he
9 determines that every eligible institution has reasonable
10 access in that State to a State or private nonprofit student
11 loan insurance program which is covered by an agreement
12 under section 428(b).

13 **SCOPE AND DURATION OF LOAN INSURANCE PROGRAM**

14 **SEC. 424.** (a) The total principal amount of new loans
15 made and installments paid pursuant to lines of credit (as
16 defined in section 434) to students covered by insurance
17 under this part shall not exceed \$700,000,000 in the fiscal
18 year ending June 30, 1966, \$1,000,000,000 in the fiscal
19 year ending June 30, 1967, and \$1,400,000,000 in the fiscal
20 year ending June 30, 1968. Thereafter, insurance pur-
21 suant to this part may be granted only for loans made (or
22 for loan installments paid pursuant to lines of credit) to
23 enable students, who have obtained prior loans insured
24 under this part, to continue or complete their educational

1 program; but no insurance may be granted for any loan
2 made or installment paid after June 30, 1972.

3 (b) The Commissioner may, if he finds it necessary to
4 do so in order to assure an equitable distribution of the bene-
5 fits of this part, assign, within the maximum amounts speci-
6 fied in subsection (a), insurance quotas applicable to eligible
7 lenders, or to States or areas, and may from time to time
8 reassign unused portions of these quotas.

9 LIMITATIONS ON INDIVIDUAL LOANS AND ON INSURANCE

10 SEC. 425. (a) The total of the loans made to a student
11 in any academic year or its equivalent (as determined under
12 regulations of the Commissioner) which may be covered
13 by insurance under this part may not exceed \$1,500 in the
14 case of a graduate or professional student (as defined in
15 regulations of the Commissioner), or \$1,000 in the case of
16 any other student. The aggregate insured unpaid principal
17 amount of all such insured loans made to any student shall
18 not at any time exceed \$7,500 in the case of any graduate
19 or professional student (as defined in regulations of the
20 Commissioner, and including any such insured loans made
21 to such person before he became a graduate or professional
22 student), or \$5,000 in the case of any other student. The
23 annual insurable limit per student shall not be deemed to be
24 exceeded by a line of credit under which actual payments

1 by the lender to the borrower will not be made in any year
2 in excess of the annual limit.

3 ~~(b)~~ The insurance liability on any loan insured under
4 this part shall be 100 per centum of the unpaid balance
5 of the principal amount of the loan. Such insurance liability
6 shall not include liability for interest whether or not that
7 interest has been added to the principal amount of the loan.

8 SOURCES OF FUNDS

9 SEC. 426. Loans made by eligible lenders in accord-
10 ance with this part shall be insurable whether made from
11 funds fully owned by the lender or from funds held by the
12 lender in a trust or similar capacity and available for such
13 loans.

14 ELIGIBILITY OF STUDENT BORROWERS AND TERMS OF

15 STUDENT LOANS

16 SEC. 427. ~~(a)~~ A loan by an eligible lender shall be
17 insurable under the provisions of this part only if—

18 ~~(1)~~ made to a student who ~~(A)~~ has been accepted
19 for enrollment at an eligible institution or, in the case
20 of a student already attending such institution, is in good
21 standing there as determined by the institution, and
22 ~~(B)~~ is carrying at least one-half of the normal full time
23 workload as determined by the institution, and ~~(C)~~ has

1 provided the lender with a statement of the institution
2 which sets forth a schedule of the tuition and fees appli-
3 cable to that student and its estimate of the cost of board
4 and room for such a student; and

5 ~~(2)~~ evidenced by a note or other written agreement
6 which—

7 ~~(A)~~ is made without security and without en-
8 dorsement, except that if the borrower is a minor
9 and such note or other written agreement executed
10 by him would not, under the applicable law, create
11 a binding obligation, endorsement may be required,

12 ~~(B)~~ provides for repayment ~~(except as pro-~~
13 ~~vided in subsection (c))~~ of the principal amount of
14 the loan in installments over a period of not less
15 than five years ~~(unless sooner repaid)~~ nor more
16 than ten years beginning not earlier than six months
17 nor later than one year after the date on which the
18 student ceases to carry at an eligible institution at
19 least one-half the normal full-time academic work-
20 load as determined by the institution, except that
21 ~~(i)~~ the period of the loan may not exceed fifteen
22 years from the execution of the note or written
23 agreement evidencing it and ~~(ii)~~ the note or other
24 written instrument may contain such provisions re-
25 lating to repayment in the event of default in the

1 payment of interest or in the payment of the cost
2 of insurance premiums, or other default by the
3 borrower, as may be authorized by regulations of
4 the Commissioner in effect at the time the loan is
5 made,

6 ~~(C)~~ provides for interest on the unpaid princi-
7 pal balance of the loan at a yearly rate, not exceed-
8 ing the applicable maximum rate prescribed and
9 defined by the Secretary ~~(within the limits set forth~~
10 ~~in subsection (b))~~ on a national, regional, or other
11 appropriate basis, which interest shall be payable in
12 installments over the period of the loan except that,
13 if provided in the note or other written agreement,
14 any interest payable by the student may be deferred
15 until not later than the date upon which repayment
16 of the first installment of principal falls due, in which
17 case interest that has so accrued during that period
18 may be added on that date to the principal ~~(but~~
19 ~~without thereby increasing the insurance liability~~
20 ~~under this part)~~;

21 ~~(D)~~ provides that the lender will not collect or
22 attempt to collect from the borrower any portion of
23 the interest on the note which is payable by the
24 Commissioner under this part,

25 ~~(E)~~ Entitles the student borrower to accelerate

1 without penalty repayment of the whole or any
2 part of the loan; and

3 ~~(F)~~ contains such other terms and conditions;
4 consistent with the provisions of this part and with
5 the regulations issued by the Commissioner pur-
6 suant to this part, as may be agreed upon by the
7 parties to such loan, including, if agreed upon, a pro-
8 vision requiring the borrower to pay to the lender, in
9 addition to principal and interest, amounts equal to
10 the insurance premiums payable by the lender to
11 the Commissioner with respect to such loan.

12 ~~(b)~~ No maximum rate of interest prescribed and de-
13 fined by the Secretary for the purposes of clause ~~(2)~~ ~~(C)~~
14 of subsection ~~(a)~~ may exceed 6 per centum per annum on
15 the unpaid principal balance of the loan, except that under
16 circumstances which threaten to impede the carrying out of
17 the purposes of this part, one or more of such maximum
18 rates of interest may be as high as 7 per centum per annum
19 on the unpaid principal balance of the loan.

20 ~~(c)~~ The total of the payments by a borrower during
21 any year of any repayment period with respect to the aggre-
22 gate amount of all loans to that borrower which are insured
23 under this part shall not be less than \$360 or the balance
24 of all of such loans ~~(together with interest thereon)~~, which-
25 ever amount is less.

1 FEDERAL PAYMENTS TO REDUCE STUDENT INTEREST COSTS

2 SEC. 428. ~~(a)(1)~~ Each student who has received a
3 loan—

4 ~~(A)~~ which is insured under this part;

5 ~~(B)~~ which was made for study at an eligible insti-
6 tution under a State student loan program ~~(meeting cri-~~
7 ~~teria prescribed by the Commissioner)~~, and which was
8 contracted for, and paid to the student, within the period
9 specified by paragraph ~~(4)~~; or

10 ~~(C)~~ which is insured under a program of a State
11 or of a nonprofit private institution or organization,
12 which was contracted for, and paid to the student, within
13 the period specified in paragraph ~~(4)~~, and which—

14 ~~(i)~~ in the case of a loan insured prior to July
15 ~~1~~, 1967, was made by an eligible lender and is
16 insured under a program which meets the require-
17 ments of subparagraph ~~(E)~~ of subsection ~~(b)(1)~~
18 and provides that repayment of such loan shall be
19 in installments beginning not earlier than sixty days
20 after the student ceases to pursue a course of study
21 ~~(as described in subparagraph (D) of subsection~~
22 ~~(b)(1))~~ at an eligible institution; or

23 ~~(ii)~~ in the case of a loan insured after June
24 30, 1967, is insured under a program covered by
25 an agreement made pursuant to subsection ~~(b)~~;

1 and whose adjusted family income is less than \$15,000 at the
2 time of execution of the note or written agreement evidencing
3 such loan, shall be entitled to have paid on his behalf and for
4 his account to the holder of the loan, over the period of the
5 loan, a portion of the interest on the loan. For the purposes
6 of this paragraph, the adjusted family income of a student
7 shall be determined pursuant to regulations of the Commis-
8 sioner in effect at the time of the execution of the note or
9 written agreement evidencing the loan. Such regulations
10 shall provide for taking into account such factors, including
11 family size, as the Commissioner deems appropriate.

12 ~~(2)~~ The portion of the interest on a loan which a stu-
13 dent is entitled to have paid on his behalf and for his account
14 to the holder of the loan pursuant to paragraph ~~(1)~~ shall be
15 equal to the total amount of the interest on the unpaid prin-
16 cipal amount of the loan which accrues prior to the beginning
17 of the repayment period of the loan, and 3 per centum per
18 annum of the unpaid principal amount of the loan ~~(excluding~~
19 ~~interest which has been added to principal)~~ thereafter; but
20 such portion of the interest on a loan shall not exceed, for any
21 period, the amount of the interest on that loan which is pay-
22 able by the student after taking into consideration the
23 amount of any interest on that loan which the student is
24 entitled to have paid on his behalf for that period under any
25 State or private loan insurance program. In the absence of

1 fraud by the lender, that determination shall be final so far
2 as the obligation of the Commissioner to pay a portion of the
3 interest on a loan is concerned. The holder of a loan with
4 respect to which payments are required to be made under
5 this section shall be deemed to have a contractual right,
6 as against the United States, to receive from the Com-
7 missioner the portion of interest which has been so deter-
8 mined. The Commissioner shall pay this portion of the inter-
9 est to the holder of the loan on behalf of and for the
10 account of the borrower at such times as may be specified in
11 regulations in force when the applicable agreement entered
12 into pursuant to subsection (b) was made, or if the loan was
13 made by a State or is insured under a program which is
14 not covered by such an agreement, at such times as may
15 be specified in regulations in force at the time the loan was
16 paid to the student.

17 (3) Each holder of a loan with respect to which pay-
18 ments of interest are required to be made by the Commis-
19 sioner shall submit to the Commissioner, at such time or
20 times and in such manner as he may prescribe, statements
21 containing such information as may be required by or pur-
22 suant to regulation for the purpose of enabling the Com-
23 missioner to determine the amount of the payment which he
24 must make with respect to that loan.

25 (4) The period referred to in subparagraphs (B) and

1 ~~(C)~~ of paragraph ~~(1)~~ of this subsection shall begin on the
 2 date of enactment of this Act and end on June 30, 1968,
 3 except that, in the case of a loan made or insured under a
 4 student loan or loan insurance program, to enable a student
 5 who has obtained a prior loan made or insured under such
 6 program to continue his educational program, such period
 7 shall end on June 30, 1972.

8 ~~(5)~~ No payment may be made under this section with
 9 respect to the interest on a loan made from a student loan
 10 fund established under title II of the National Defense
 11 Education Act of 1958.

12 ~~(b)(1)~~ Any State or any nonprofit private institution
 13 or organization may enter into an agreement with the Com-
 14 missioner for the purpose of entitling students who receive
 15 loans which are insured under a student loan insurance pro-
 16 gram of that State, institution, or organization to have
 17 made on their behalf payments equal to those provided for
 18 in subsection ~~(a)~~ if the Commissioner determines that the
 19 student loan insurance program—

20 ~~(A)~~ authorizes the insurance of not less than
 21 \$1,000 nor more than \$1,500 in loans to any individual
 22 student in any academic year or its equivalent (as de-
 23 termined under regulations of the Commissioner);

24 ~~(B)~~ authorizes the insurance of loans to any in-
 25 dividual student for at least six academic years of study

1 or their equivalent (as determined under regulations
2 of the Commissioner);

3 ~~(C)~~ provides that ~~(i)~~ the student borrower shall
4 be entitled to accelerate without penalty the whole or
5 any part of an insured loan; ~~(ii)~~ the period of any
6 insured loan may not exceed fifteen years from the date
7 of execution of the note or other written evidence of the
8 loan; and ~~(iii)~~ the note or other written evidence of
9 any loan may contain such provisions relating to repay-
10 ment in the event of default by the borrower as may be
11 authorized by regulations of the Commissioner in effect
12 at the time such note or written evidence was executed;

13 ~~(D)~~ subject to subparagraph ~~(C)~~, provides that,
14 where the total of the insured loans to any student which
15 are held by any one person exceeds \$2,000, repayment
16 of such loans shall be in installments over a period of not
17 less than five years nor more than ten years beginning
18 not earlier than six months nor later than one year after
19 the student ceases to pursue a full-time course of study at
20 an eligible institution; except that if the program pro-
21 vides for the insurance of loans for part-time study at
22 eligible institutions the program shall provide that such
23 repayment period shall begin not earlier than six months
24 nor later than one year after the student ceases to carry

1 at an eligible institution at least one-half the normal full-
2 time academic workload as determined by the institution;

3 ~~(E)~~ authorizes interest on the unpaid balance of
4 the loan at a yearly rate not in excess of 6 per centum
5 per annum on the unpaid principal balance of the loan
6 ~~(exclusive of any premium for insurance which may be~~
7 ~~passed on to the borrower)~~;

8 ~~(F)~~ insures not less than 80 per centum of the
9 unpaid principal of loans insured under the program;

10 ~~(G)~~ does not provide for collection of an excessive
11 insurance premium;

12 ~~(H)~~ provides that the benefits of the loan insur-
13 ance program will not be denied any student because
14 of his family income or lack of need if his adjusted
15 family income at the time the note or written agreement
16 is executed is less than \$15,000 (as determined pursuant
17 to the regulations of the Commissioner prescribed under
18 section 428(a)-(1));

19 ~~(I)~~ provides that a student may obtain insurance
20 under the program for a loan for any year of study at
21 an eligible institution; and

22 ~~(J)~~ in the case of a State program, provides that
23 such State program is administered by a single State

1 agency, or by one or more nonprofit private institutions
2 or organizations under the supervision of a single State
3 agency.

4 ~~(2)~~ Such an agreement shall—

5 ~~(A)~~ provide that the holder of any such loan will
6 be required to submit to the Commissioner, at such time
7 or times and in such manner as he may prescribe, state-
8 ments containing such information as may be required
9 by or pursuant to regulation for the purpose of enabling
10 the Commissioner to determine the amount of the pay-
11 ment which he must make with respect to that loan;

12 ~~(B)~~ include such other provisions as may be neces-
13 sary to protect the financial interest of the United States
14 and promote the purposes of this part and as are agreed
15 to by the Commissioner and the State or private orga-
16 nization or institution; and

17 ~~(C)~~ provide for making such reports in such form
18 and containing such information as the Commissioner
19 may reasonably require to carry out his function under
20 this part and for keeping such records and for affording
21 such access thereto as the Commissioner may find neces-
22 sary to assure the correctness and verification of such
23 reports.

CERTIFICATES OF INSURANCE—EFFECTIVE DATE OF

INSURANCE

3 SEC. 429. (a)-(1) If, upon application by an eligible
4 lender, made upon such form, containing such information,
5 and supported by such evidence as the Commissioner may
6 require, and otherwise in conformity with this section, the
7 Commissioner finds that the applicant has made a loan to
8 an eligible student which is insurable under the provisions of
9 this part, he may issue to the applicant a certificate of in-
10 surance covering the loan and setting forth the amount and
11 terms of the insurance.

12 ~~(2)~~ Insurance evidenced by a certificate of insurance
13 pursuant to subsection ~~(a)-(1)~~ shall become effective upon
14 the date of issuance of the certificate, except that the Com-
15 missioner is authorized, in accordance with regulations, to
16 issue commitments with respect to proposed loans, or with
17 respect to lines ~~(or proposed lines)~~ of credit, submitted by
18 eligible lenders, and in that event, upon compliance with
19 subsection ~~(a)-(1)~~ by the lender, the certificate of insurance
20 may be issued effective as of the date when any loan, or any
21 payment by the lender pursuant to a line of credit, to be
22 covered by such insurance was made. Such insurance shall
23 cease to be effective upon sixty days' default by the
24 lender in the payment of any installment of the premiums
25 payable pursuant to subsection ~~(c)~~.

1 ~~(3)~~ An application submitted pursuant to subsection
2 ~~(a)(1)~~ shall contain ~~(A)~~ an agreement by the applicant
3 to pay, in accordance with regulations, the premiums fixed by
4 the Commissioner pursuant to subsection ~~(c)~~; and ~~(B)~~ an
5 agreement by the applicant that if the loan is covered by
6 insurance the applicant will submit such supplementary re-
7 ports and statements during the effective period of the loan
8 agreement, upon such forms, at such times, and containing
9 such information as the Commissioner may prescribe by or
10 pursuant to regulation.

11 ~~(b)(1)~~ In lieu of requiring a separate insurance appli-
12 cation and issuing a separate certificate of insurance for
13 each student loan made by an eligible lender as provided in
14 subsection ~~(a)~~, the Commissioner may, in accordance with
15 regulations consistent with section 424, issue to any eligible
16 lender applying therefor a certificate of comprehensive in-
17 surance coverage which shall, without further action by
18 the Commissioner, insure all insurable loans made by that
19 lender, on or after the date of the certificate and before a
20 specified cutoff date, within the limits of an aggregate maxi-
21 mum amount stated in the certificate. Such regulations
22 may provide for conditioning such insurance, with respect
23 to any loan, upon compliance by the lender with such re-
24 quirements ~~(to be stated or incorporated by reference in the~~
25 certificate) as in the Commissioner's judgment will best

1 achieve the purpose of this subsection while protecting the
2 financial interest of the United States and promoting the
3 objectives of this part, including (but not limited to) pro-
4 visions as to the reporting of such loans and information
5 relevant thereto to the Commissioner and as to the payment
6 of initial and other premiums and the effect of default there-
7 in, and including provision for confirmation by the Com-
8 missioner from time to time (through endorsement of the
9 certificate) of the coverage of specific new loans by such
10 certificate, which confirmation shall be incontestable by the
11 Commissioner in the absence of fraud or misrepresentation
12 of fact or patent error.

13 (2) If the holder of a certificate of comprehensive in-
14 surance issued under this subsection grants to a student a
15 line of credit extending beyond the cutoff date specified in
16 that certificate, loans or payments thereon made by the
17 holder after that date pursuant to the line of credit shall
18 not be deemed to be included in the coverage of that
19 certificate except as may be specifically provided therein;
20 but, subject to the limitations of section 424, the Com-
21 missioner may, in accordance with regulations, make com-
22 mitments to insure such future loans or payments, and
23 such commitments may be honored either as provided in
24 subsection (a) or by inclusion of such insurance in com-
25 prehensive coverage under this subsection for the period

1 or periods in which such future loans or payments are
2 made.

3 ~~(c)~~ The Commissioner shall, pursuant to regulations,
4 charge for insurance on each loan under this part a pre-
5 mium in an amount not to exceed one-fourth of 1 per
6 centum per year of the unpaid principal amount of such
7 loan ~~(excluding interest added to principal)~~, payable in
8 advance, at such time and in such manner as may be pre-
9 scribed by the Commissioner. Such regulations may provide
10 that such premium shall not be payable, or if paid shall
11 be refundable, with respect to any period after default in
12 the payment of principal or interest or after the borrower
13 has died or becomes totally and permanently disabled, if
14 ~~(1)~~ notice of such default or other event has been duly
15 given, and ~~(2)~~ request for payment of the loss insured
16 against has been made or the Commissioner has made such
17 payment on his own motion pursuant to section 430(a).

18 ~~(d)~~ The rights of an eligible lender arising under
19 insurance evidenced by a certificate of insurance issued to
20 it under this section may be assigned as security by such
21 lender only to another eligible lender, and subject to regula-
22 tion by the Commissioner.

23 ~~(e)~~ The consolidation of the obligations of two or more
24 insured loans obtained by a student borrower in any fiscal

1 year into a single obligation evidenced by a single instru-
2 ment of indebtedness shall not affect the insurance by the
3 United States. If the loans thus consolidated are covered
4 by separate certificates of insurance issued under subsection
5 (a), the Commissioner may upon surrender of the original
6 certificates issues a new certificate of insurance in accordance
7 with that subsection upon the consolidated obligation; if
8 they are covered by a single comprehensive certificate
9 issued under subsection (b), the Commissioner may amend
10 that certificate accordingly.

11 PROCEDURE ON DEFAULT, DEATH, OR DISABILITY OF
12 STUDENT

13 SEC. 430. (a) Upon default by the student borrower
14 on any loan covered by insurance pursuant to this title, or
15 upon the death of the student borrower or a finding by
16 the insurance beneficiary that the borrower has become
17 totally and permanently disabled (as determined in accord-
18 ance with regulations established by the Commissioner)
19 before the loan has been repaid in full, and prior to the
20 commencement of suit or other enforcement proceeding
21 upon security for that loan, the insurance beneficiary shall
22 promptly notify the Commissioner, and the Commissioner
23 shall if requested (at that time or after further collection
24 efforts) by the beneficiary, or may on his own motion, if the
25 insurance is still in effect, pay to the beneficiary the amount

1 of the loss sustained by the insured upon that loan as soon
2 as that amount has been determined. The "amount of the
3 loss" on any loan shall, for the purposes of this subsection
4 and subsection (b), be deemed to be an amount equal to
5 the unpaid balance of the principal amount of the loan.

6 (b) Upon payment by the Commissioner of the insured
7 portion of the loss pursuant to subsection (a), the United
8 States shall be subrogated to all of the rights of the holder of
9 the obligation upon the insured loan and shall be entitled to
10 an assignment of the note or other evidence of the insured
11 loan by the insurance beneficiary. If the net recovery made
12 by the Commissioner on a loan after deduction of the cost of
13 that recovery (including reasonable administrative costs)
14 exceeds the amount of the loss, the excess shall be paid
15 over to the insured.

16 (c) Nothing in this section or in this part shall be con-
17 strued to preclude any forbearance for the benefit of the stu-
18 dent borrower which may be agreed upon by the parties to
19 the insured loan and approved by the Commissioner, or to
20 preclude forbearance by the Commissioner in the enforce-
21 ment of the insured obligation after payment on that insur-
22 ance, or to require collection of the amount of any loan by
23 the insurance beneficiary or by the Commissioner from the
24 estate of a deceased borrower or from a borrower found by

1 the insurance beneficiary to have become permanently and
2 totally disabled.

3 ~~(d)~~ Nothing in this section or in this part shall be con-
4 strued to excuse the holder of a loan from exercising reason-
5 able care and diligence in the making and collection of loans
6 under the provisions of this part. If the Commissioner, after
7 reasonable notice and opportunity for hearing to an eligible
8 lender, finds that it has substantially failed to exercise such
9 care and diligence or to make the reports and statements re-
10 quired under section 428(a)~~(3)~~ and section 429(a)~~(3)~~,
11 or to pay the required insurance premiums, he shall dis-
12 qualify that lender for further insurance on loans granted
13 pursuant to this part until he is satisfied that its failure has
14 ceased and finds that there is reasonable assurance that the
15 lender will in the future exercise necessary care and diligence
16 or comply with such requirements, as the case may be.

17 ~~(e)~~ As used in this section—

18 ~~(1)~~ the term “insurance beneficiary” means the
19 insured or its authorized assignee in accordance with
20 section 429(d); and

21 ~~(2)~~ the term “default” includes only such defaults
22 as have existed for ~~(A)~~ one hundred and twenty days
23 in the case of a loan which is repayable in monthly in-
24 stallments, or ~~(B)~~ one hundred and eighty days in the

1 ease of a loan which is repayable in less frequent
2 installments.

3 INSURANCE FUND

4 SEC. 431. (a) There is hereby established a student
5 loan insurance fund (hereinafter in this section called the
6 "fund") which shall be available without fiscal year limita-
7 tion to the Commissioner for making payments in connection
8 with the default of loans insured under this part. All
9 amounts received by the Commissioner as premium charges
10 for insurance and as receipts, earnings, or proceeds derived
11 from any claim or other assets acquired by the Commis-
12 sioner in connection with his operations under this part,
13 and any other moneys, property, or assets derived by the
14 Commissioner from his operations in connection with this
15 section, shall be deposited in the fund. All payments in
16 connection with the default of loans insured under this part
17 shall be paid from the fund. Moneys in the fund not needed
18 for current operations under this section may be invested
19 in bonds or other obligations guaranteed as to principal and
20 interest by the United States.

21 (b) If at any time the moneys in the fund are insuffi-
22 cient to make payments in connection with the default of any
23 loan insured under this part, the Commissioner is authorized
24 to issue to the Secretary of the Treasury notes or other ob-

1 ligations in such forms and denominations, bearing such ma-
2 turities, and subject to such terms and conditions as may be
3 prescribed by the Commissioner with the approval of the
4 Secretary of the Treasury. Such notes or other obligations
5 shall bear interest at a rate determined by the Secretary of
6 the Treasury, taking into consideration the current average
7 market yield on outstanding marketable obligations of the
8 United States of comparable maturities during the month
9 preceding the issuance of the notes or other obligations.
10 The Secretary of the Treasury is authorized and directed to
11 purchase any notes and other obligations issued hereunder
12 and for that purpose he is authorized to use as a public debt
13 transaction the proceeds from the sale of any securities issued
14 under the Second Liberty Bond Act, as amended, and the
15 purposes for which securities may be issued under that Act,
16 as amended, are extended to include any purchases of such
17 notes and obligations. The Secretary of the Treasury may
18 at any time sell any of the notes or other obligations ac-
19 quired by him under this subsection. All redemptions, pur-
20 chases, and sales by the Secretary of the Treasury of such
21 notes or other obligations shall be treated as public debt
22 transactions of the United States. Sums borrowed under
23 this subsection shall be deposited in the fund and redemption
24 of such notes and obligations shall be made by the Commis-
25 sioner from such fund.

LEGAL POWERS AND RESPONSIBILITIES

SEC. 432. (a) In the performance of, and with respect to, the functions, powers, and duties vested in him by this part, the Commissioner may—

(1) prescribe such regulations as may be necessary to carry out the purposes of this part;

(2) sue and be sued in any court of record of a State having general jurisdiction or in any district court of the United States, and such district courts shall have jurisdiction in civil actions arising under this part without regard to the amount in controversy, and any action instituted under this subsection by or against the Commissioner shall survive notwithstanding any change in the person occupying the office of Commissioner or any vacancy in that office; but no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against the Commissioner or property under his control, and nothing herein shall be construed to except litigation arising out of activities under this part from the application of sections 507(b) and 2679 of title 28 of the United States Code and of section 367 of the Revised Statutes (5 U.S.C. 316);

(3) include in any contract for insurance such terms, conditions, and covenants relating to repayment of principal and payment of interest, relating to his ob-

1 ligations and rights and to those of eligible lenders, and
2 borrowers in case of default, and relating to such other
3 matters as the Commissioner determines to be necessary
4 to assure that the purposes of this part will be achieved;
5 and any term, condition, and covenant made pursuant
6 to this clause or any other provisions of this part may
7 be modified by the Commissioner if he determines that
8 modification is necessary to protect the financial interest
9 of the United States;

10 ~~(4)~~ subject to the specific limitations in this part,
11 consent to the modification, with respect to rate of inter-
12 est, time of payment of any installment of principal and
13 interest or any portion thereof, or any other provision
14 of any note or other instrument evidencing a loan which
15 has been insured under this part;

16 ~~(5)~~ enforce, pay, or compromise, any claim on, or
17 arising because of, any such insurance; and

18 ~~(6)~~ enforce, pay, compromise, waive, or release
19 any right, title, claim, lien, or demand, however ac-
20 quired, including any equity or any right of redemption.

21 ~~(b)~~ The Commissioner shall, with respect to the finan-
22 cial operations arising by reason of this part—

23 ~~(1)~~ prepare annually and submit a budget program
24 as provided for wholly owned Government corporations
25 by the Government Corporation Control Act; and

1 ~~(2)~~ maintain with respect to insurance under this
2 part an integral set of accounts, which shall be audited
3 annually by the General Accounting Office in accordance
4 with principles and procedures applicable to commercial
5 corporate transactions, as provided by section 105 of the
6 Government Corporation Control Act, except that the
7 transactions of the Commissioner, including the settle-
8 ment of insurance claims and of claims for payments pur-
9 suant to section 428, and transactions related thereto and
10 vouchers approved by the Commissioner in connection
11 with such transactions, shall be final and conclusive upon
12 all accounting and other officers of the Government.

13 PARTICIPATION BY FEDERAL CREDIT UNIONS IN FEDERAL,
14 STATE, AND PRIVATE STUDENT LOAN INSURANCE
15 PROGRAMS

16 SEC. 433. Notwithstanding any other provision of law,
17 Federal credit unions shall, pursuant to regulations of the
18 Director of the Bureau of Federal Credit Unions, have power
19 to make insured loans up to 10 per centum of their assets, to
20 student members in accordance with the provisions of this
21 part or in accordance with the provisions of any State or
22 nonprofit private student loan insurance program with re-
23 spect to which there is in effect an agreement with the Com-
24 missioner under section 428(b).

1 DEFINITIONS FOR REDUCED-INTEREST STUDENT LOAN

2 INSURANCE PROGRAM

3 SEC. 434. As used in this part:

4 (a) The term "eligible institution" means an institution
5 described in the first sentence of section 701(a).

6 (b) The term "eligible lender" means an eligible insti-
7 tution, an agency or instrumentality of a State, or a financial
8 or credit institution (including an insurance company)
9 which is subject to examination and supervision by an
10 agency of the United States or of any State.

11 (c) The term "line of credit" means an arrangement
12 or agreement between the lender and the borrower whereby
13 a loan is paid out by the lender to the borrower in annual
14 installments, or whereby the lender agrees to make, in addi-
15 tion to the initial loan, additional loans in subsequent years.

16 PART C—COLLEGE WORK-STUDY PROGRAM EXTENSION
17 AND AMENDMENTS

18 TRANSFER OF AUTHORITY, AND OTHER AMENDMENTS

19 SEC. 441. Effective July 1, 1965, part C of title I of
20 the Economic Opportunity Act of 1964 (Public Law 88-
21 452) is amended as follows:

22 (1) By striking out "Director" in the first sentence
23 of section 122(a) and inserting in lieu thereof "Com-
24 missioner of Education (hereinafter in this part referred
25 to as the 'Commissioner')"; and by striking out "Diree-

tor" wherever that word appears in the other provisions of such part C and inserting in lieu thereof "Commissioner";

(2) By amending that part of section 121 that follows the section designation to read as follows: "The purpose of this part is to stimulate and promote the part-time employment of students, particularly students from low-income families, in institutions of higher education who are in need of the earnings from such employment to pursue courses of study at such institutions.";

(3) By redesignating clauses (2), (3), and (4), of paragraph (e) of section 124 as clauses (1), (2), and (3), and by striking out so much of such paragraph as precedes such redesignated clauses and inserting in lieu thereof the following: "(e) provide that in the selection of students for employment under such work study program preference shall be given to students from low-income families and that employment under such work study program shall be furnished only to a student who";

(4) By striking out "June 30, 1966," in paragraph (f) of section 124 and inserting in lieu thereof "June 30, 1967,"; and

(5) By striking out "(as defined by section 401(f) of the Higher Education Facilities Act of 1963 (Public

1 ~~Law 88-204)~~” in section 123 and inserting in lieu there-
 2 of “(as defined by section 103(b) of the National De-
 3 fense Education Act of 1958 for purposes of title II of
 4 that Act)”.
 5

6 APPROPRIATIONS AUTHORIZED

6 SEC. 442. There are authorized to be appropriated
 7 \$129,000,000 for the fiscal year ending June 30, 1966, and
 8 such sums as the Congress may hereafter authorize by law
 9 for each of the four succeeding years, to carry out the pur-
 10 poses of part C of title I of the Economic Opportunity Act of
 11 1964 (Public Law 88-452). Any sums which, prior to the
 12 enactment of this Act, were appropriated for carrying out
 13 such part C of that title for the fiscal year ending June 30,
 14 1966, or were allocated from an applicable appropriation for
 15 that purpose, and which have not been expended prior to the
 16 date of the enactment of this Act, shall be available to the
 17 Commissioner for carrying out such part C.

18 CONFORMING AMENDMENT

19 SEC. 443. Part D of title I of the Economic Oppor-
 20 tunity Act of 1964 (Public Law 88-452) is amended to
 21 read as follows:

22 “PART D—AUTHORIZATION OF APPROPRIATIONS

23 “SEC. 131. The Director shall carry out the programs
 24 provided for in parts A and B of this title during the fiscal
 25 year ending June 30, 1965, and each of the two succeeding

1 fiscal years, and he shall carry out the program provided for
 2 in part C of this title during the fiscal year ending June 30,
 3 1965. For this purpose there is hereby authorized to be
 4 appropriated the sum of \$412,500,000 for the fiscal year
 5 ending June 30, 1965; and for the fiscal year ending June
 6 30, 1966, and the fiscal year ending June 30, 1967, such
 7 sums may be appropriated as the Congress may hereafter
 8 authorize by law."

9 ~~TITLE V—AMENDMENTS TO HIGHER EDUCATION~~
 10 ~~FACILITIES ACT OF 1963~~

11 ~~AUTHORIZATION FOR CONSTRUCTION OF UNDERGRADUATE~~
 12 ~~FACILITIES~~

13 SEC. 501. The first sentence of section 101(b) of the
 14 Higher Education Facilities Act of 1963 is amended by strik-
 15 ing out "and each of the two succeeding fiscal years" and
 16 inserting in lieu thereof the following: "and for the succeed-
 17 ing fiscal year; and the sum of \$460,000,000 for the fiscal
 18 year ending June 30, 1966".

19 ~~PUBLIC JUNIOR COLLEGES AND TECHNICAL INSTITUTES~~

20 SEC. 502. (a) Section 105(a)(2) of the Higher Edu-
 21 cation Facilities Act of 1963 is amended by striking out
 22 "other than a project for a public community college or pub-
 23 lic technical institute".

24 (b) Section 107(b) of such Act is amended (1) by
 25 striking out "other than a project for a public community

1 college or public technical institute", and ~~(2)~~ by striking
 2 out "shall be 40 per centum" and inserting in lieu thereof
 3 "shall in no event exceed 40 per centum".

4 ~~(c)~~ Section 401~~(d)~~ of the Higher Education Facilities
 5 Act of 1963 is amended by inserting immediately before "40
 6 per centum" the following: "a percentage ~~(as determined~~
 7 under the applicable State plan) not in excess of".

8 AUTHORIZATION FOR CONSTRUCTION OF GRADUATE
 9 FACILITIES

10 SEC. 503. The second sentence of section 201 of the
 11 Higher Education Facilities Act of 1963 is amended by
 12 striking out "and the sum of \$60,000,000 each for the fiscal
 13 year ending June 30, 1965, and the succeeding fiscal year"
 14 and inserting in lieu thereof the following: "the sum of
 15 \$60,000,000 for the fiscal year ending June 30, 1965, and
 16 the sum of \$120,000,000 for the fiscal year ending June 30,
 17 1966".

18 DELETION OF CATEGORIES OF CONSTRUCTION

19 SEC. 504. Section 106 of the Higher Education Facili-
 20 ties Act of 1963 is amended by striking out "~~(1)~~ in the case
 21 of an institution of higher education other than a public com-
 22 munity college or public technical institute, only if such
 23 construction is limited to structures, or portions thereof,
 24 especially designed for instruction or research in the natural

1 or physical sciences, mathematics, modern foreign languages,
2 or engineering, or for use as a library, and ~~(2)~~".

3 TITLE VI—GENERAL PROVISIONS

4 DEFINITIONS

5 SEC. 601. As used in this Act—

6 ~~(a)~~ The term "institution of higher education" means
7 an educational institution in any State which ~~(1)~~ admits as
8 regular students only persons having a certificate of gradu-
9 ation from a school providing secondary education, or the
10 recognized equivalent of such certificate, ~~(2)~~ is legally au-
11 thorized within such State to provide a program of education
12 beyond secondary education, ~~(3)~~ provides an educational
13 program for which it awards a bachelor's degree or provides
14 not less than a two-year program which is acceptable for
15 full credit toward such a degree, ~~(4)~~ is a public or other
16 nonprofit institution, and ~~(5)~~ is accredited by a nationally
17 recognized accrediting agency or association or, if not so
18 accredited, is an institution whose credits are accepted, on
19 transfer, by not less than three institutions which are so
20 accredited, for credit on the same basis as if transferred
21 from an institution so accredited. Such term also includes
22 any business school or technical institution which meets the
23 provisions of clauses ~~(1)~~, ~~(2)~~, ~~(4)~~, and ~~(5)~~. For pur-
24 poses of this subsection, the Commissioner shall publish a

1 list of nationally recognized accrediting agencies or associa-
 2 tions which he determines to be reliable authority as to the
 3 quality of training offered.

4 (b) The term "State" includes, in addition to the several
 5 States of the Union, the Commonwealth of Puerto Rico,
 6 the District of Columbia, Guam, American Samoa, and the
 7 Virgin Islands.

8 (c) The term "nonprofit" as applied to a school, agency,
 9 organization, or institution means a school, agency, organiza-
 10 tion, or institution owned and operated by one or more non-
 11 profit corporations or associations no part of the net earnings
 12 of which inures, or may lawfully inure, to the benefit of any
 13 private shareholder or individual.

14 (d) The term "secondary school" means a school which
 15 provides secondary education as determined under State law
 16 except that it does not include any education provided be-
 17 yond grade 12.

18 (e) The term "Secretary" means the Secretary of
 19 Health, Education, and Welfare.

20 (f) The term "Commissioner" means the Commissioner
 21 of Education.

22 METHOD OF PAYMENT

23 SEC. 602. Payments under this Act to any individual
 24 or to any State or Federal agency, institution of higher edu-
 25 cation, or any other organization, pursuant to a grant, loan,

1 or contract, may be made in installments, and in advance
2 or by way of reimbursement, and, in the case of grants or
3 loans, with necessary adjustments on account of overpay-
4 ments or underpayments.

5 FEDERAL ADMINISTRATION

6 SEC. 603. (a) The Commissioner is authorized to dele-
7 gate any of his functions under this Act, except the making
8 of regulations, to any officer or employee of the Office of
9 Education.

10 (b) In administering the titles of this Act for which
11 he is responsible, the Commissioner is authorized to utilize
12 the services and facilities of any agency of the Federal Gov-
13 ernment and of any other public or nonprofit agency or
14 institution, in accordance with agreements between the Sec-
15 retary and the head thereof.

16 FEDERAL CONTROL OF EDUCATION PROHIBITED

17 SEC. 604. Nothing contained in this Act or any other
18 Act shall be construed to authorize any department, agency,
19 officer, or employee of the United States to exercise any
20 direction, supervision, or control over the curriculum, pro-
21 gram of instruction, administration, or personnel of any
22 educational institution, or over the selection of library re-
23 sources by any educational institution; or the membership
24 practices or internal operations of any fraternal organiza-

1 tion, fraternity or sorority, any private club or any religious
2 organization of any institution of higher education.

3 That this Act may be cited as the "Higher Education Act
4 of 1965".

5 TITLE I—COLLEGE AND UNIVERSITY EXTEN- 6 SION AND CONTINUING EDUCATION

7 APPROPRIATIONS AUTHORIZED

8 SEC. 101. For the purpose of assisting the people of
9 the United States in the solution of community problems
10 such as housing, poverty, government, recreation, employ-
11 ment, youth opportunities, transportation, health, and land
12 use by enabling the Commissioner to make grants and con-
13 tracts under this title to strengthen continuing education and
14 extension methods and teaching, and the public service
15 resources, of colleges and universities, there are authorized
16 to be appropriated \$25,000,000 for the fiscal year ending
17 June 30, 1966, and \$50,000,000 for the fiscal year ending
18 June 30, 1967, and for each of the three succeeding fiscal
19 years.

20 ALLOTMENTS TO STATES

21 SEC. 102. (a)(1) From 80 per centum of the sums
22 appropriated pursuant to section 101 for each fiscal year,
23 the Commissioner shall allot \$25,000 each to Guam, Ameri-
24 can Samoa, and the Virgin Islands and \$100,000 to each

1 of the other States, and he shall allot to each State an amount
2 which bears the same ratio to the remainder of such 80 per
3 centum of such sums as the population of the State bears to
4 the population of all States.

5 (2) Twenty per centum of the sums appropriated pur-
6 suant to section 101 shall be reserved by the Commissioner
7 for grants and contracts for experimental projects and for
8 supplemental grants pursuant to section 106.

9 (b) The amount of any State's allotment under subsec-
10 tion (a) for any fiscal year which the Commissioner deter-
11 mines will not be required for such fiscal year for carrying
12 out the State plan (if any) approved under this title shall
13 be available for reallocation from time to time, on such dates
14 during such year as the Commissioner may fix, to other States
15 in proportion to the original allotments to such States under
16 such subsection for such year, but with such proportionate
17 amount for any of such States being reduced to the extent it
18 exceeds the sum the Commissioner estimates such State needs
19 and will be able to use for such year for carrying out the
20 State plan; and the total of such reductions shall be similarly
21 reallocated among the States whose proportionate amounts
22 were not so reduced. Any amount reallocated to a State
23 under this subsection during a year from funds appropriated

1 *pursuant to section 101 shall be deemed part of its allotment*
2 *under subsection (a) for such year.*

3 (c) *In accordance with regulations of the Commis-*
4 *sioner, any State may file with him a request that a specified*
5 *portion of its allotment under this title be added to the allot-*
6 *ment of another State under this title for the purpose of meet-*
7 *ing a portion of the Federal share of the cost of providing*
8 *extension or continuing education services or activities under*
9 *this title. If it is found by the Commissioner that the services*
10 *or activities with respect to which the request is made would*
11 *meet needs of the State making the request and that use*
12 *of the specified portion of such State's allotment, as requested*
13 *by it, would assist in carrying out the purposes of this title,*
14 *such portion of such State's allotment shall be added to the*
15 *allotment of the other State under this title to be used for the*
16 *purpose referred to above.*

17 (d) *The population of a State and of all the States shall*
18 *be determined by the Commissioner on the basis of the most*
19 *recent satisfactory data available from the Department of*
20 *Commerce.*

21 *USES OF ALLOTTED FUNDS*

22 *SEC. 103. A State's allotment under section 102 may*
23 *be used, in accordance with its State plan approved under*
24 *section 104(b), to provide new, expanded, or improved*

1 *extension and continuing education activities and services*
2 *designed to assist, particularly through new and advanced*
3 *approaches, in the solution of rural and urban community*
4 *problems.*

5 *STATE PLANS*

6 *SEC. 104. (a) Any State desiring to receive its allot-*
7 *ment of Federal funds under this title shall designate or*
8 *create a State agency or institution which has special quali-*
9 *fications with respect to solving community problems and*
10 *which is broadly representative of institutions of higher edu-*
11 *cation in the State which are competent to offer extension or*
12 *continuing education activities and services, and shall submit*
13 *to the Commissioner through the agency or institution so*
14 *designated a State plan. If a State desires to designate for*
15 *the purposes of this section an existing State agency or insti-*
16 *tution which does not meet these requirements, it may do so*
17 *if the agency or institution takes such action as may be nec-*
18 *essary to acquire such qualifications and assure participation*
19 *of such institutions, or if it designates or creates a State ad-*
20 *visory council which meets the requirements not met by the*
21 *designated agency or institution to consult with the desig-*
22 *nated agency or institution in the preparation of the State*
23 *plan. A State plan submitted under this title shall be in*
24 *such detail as the Commissioner deems necessary and shall—*

1 (1) provide that the agency or institution so desig-
2 nated or created shall be the sole agency for administra-
3 tion of the plan or for supervision of the administration
4 of the plan; and provide that such agency or institution
5 shall consult with any State advisory council required
6 to be created by this section with respect to policy mat-
7 ters arising in the administration of such plan;

8 (2) set forth a comprehensive, coordinated, and
9 statewide program of extension and continuing educa-
10 tion activities and services under which funds paid to
11 the State (including funds paid to an institution pur-
12 suant to section 105(c)) under its allotments under
13 section 102 will be expended solely for activities and
14 services which meet the requirements of section 103 and
15 which have been approved by the agency or institution
16 administering the plan;

17 (3) set forth the policies and procedures to be
18 followed in allocating Federal funds to institutions of
19 higher education in the State, which policies and proce-
20 dures shall insure that due consideration will be given—

21 (A) to the relative capacity and willingness of
22 particular institutions of higher education (whether
23 public or private) to provide effective extension or
24 continuing education activities and services designed

1 to assist communities in solving community prob-
2 lems;

3 (B) to the availability of and need for exten-
4 sion and continuing education activities and services
5 among the population within the State; and

6 (C) to the results of periodic evaluations of the
7 activities and services carried out under this title in
8 the light of information regarding current and antici-
9 pated community problems in the State;

10 (4) set forth policies and procedures designed to
11 assure that Federal funds made available under this title
12 will be so used as not to supplant State or local funds, or
13 funds of institutions of higher education, but supplement
14 them, and, to the extent practicable, increase the amounts
15 of such funds that would in the absence of such Federal
16 funds be made available for activities and services which
17 meet the requirements of section 103;

18 (5) set forth such fiscal control and fund accounting
19 procedures as may be necessary to assure proper dis-
20 bursement of and accounting for Federal funds paid to
21 the State (including such funds paid by the State or by
22 the Commissioner to institutions of higher education)
23 under this title; and

1 (6) provide for making such reports in such form
2 and containing such information as the Commissioner
3 may reasonably require to carry out his functions under
4 this title, and for keeping such records and for affording
5 such access thereto as the Commissioner may find neces-
6 sary to assure the correctness and verification of such
7 reports.

8 (b) The Commissioner shall approve any State plan
9 and any modification thereof which complies with the
10 provisions of subsection (a).

11 *PAYMENTS*

SEC. 105. (a) Except as provided in subsection (b), payment under this title shall be made to those State agencies and institutions which administer plans approved under section 104(b). Payments under this title from a State's allotment with respect to the cost of developing and carrying out its State plan shall equal 75 per centum of such costs for the fiscal year ending June 30, 1966, 75 per centum of such costs for the fiscal year ending June 30, 1967, and 50 per centum of such costs for each of the three succeeding fiscal years, except that no payments for any fiscal year shall be made to any State with respect to expenditures for developing and administering the State plan which exceed 5 per centum of the costs for that year for which payment

1 under this subsection may be made to that State, or \$25,000,
2 whichever is the greater.

3 (b) No payments shall be made to any State from its
4 allotments for any fiscal year unless and until the Commis-
5 sioner finds that the institutions of higher education which will
6 participate in carrying out the State plan for that year will
7 together have available during that year for expenditure from
8 non-Federal sources for college and university extension and
9 continuing education programs not less than the total amount
10 actually expended by those institutions for university extension
11 and continuing education programs from such sources during
12 the fiscal year ending June 30, 1965, plus an amount equal
13 to not less than the non-Federal share of the costs with respect
14 to which payment pursuant to subsection (a) is sought. In
15 determining the cost for any fiscal year of carrying out a
16 university extension and continuing education program set
17 forth in a State plan approved under section 104(b), and
18 the amounts available for expenditure, or expended, therefor
19 from State or other non-Federal sources, there shall be ex-
20 cluded any amounts the Commissioner determines have been
21 or will be realized during that year by participating institu-
22 tions from fees or other charges to persons benefiting from
23 that program.

1 (c) *Payments to a State under this title may be made*
 2 *in installments and in advance or by way of reimbursement*
 3 *with necessary adjustments on account of overpayments or*
 4 *underpayments, and they may be paid directly to the State*
 5 *or to one or more participating institutions of higher educa-*
 6 *tion designated for this purpose by the State, or to both.*

7 EXPERIMENTAL APPROACHES AND SUPPLEMENTAL GRANTS

8 SEC. 106. *Twenty per centum of the sums appropriated*
 9 *pursuant to section 101 for each fiscal year shall be used*
 10 *by the Commissioner to make grants to or contracts with in-*
 11 *stitutions of higher education to pay part of the cost of ex-*
 12 *perimental approaches to extension and continuing education*
 13 *related to the solution of community problems as set forth*
 14 *in section 103, or, as may be determined by the Commis-*
 15 *sioner, for such augmentation of grants awarded under this*
 16 *title from allotted funds as may be desirable to advance the*
 17 *purposes of this title.*

18 ADMINISTRATION OF STATE PLANS

19 SEC. 107. (a) *The Commissioner shall not finally dis-*
 20 *approve any State plan submitted under this title, or any*
 21 *modification thereof, without first affording the State agency*
 22 *or institution submitting the plan reasonable notice and oppor-*
 23 *tunity for a hearing.*

24 (b) *Whenever the Commissioner, after reasonable notice*
 25 *and opportunity for hearing to the State agency or institution*

1 administering a State plan approved under section 104(b),
 2 finds that—

3 (1) the State plan has been so changed that it no
 4 longer complies with the provisions of section 104(a), or
 5 (2) in the administration of the plan there is a fail-
 6 ure to comply substantially with any such provision,
 7 the Commissioner shall notify the State agency or institution
 8 that the State will not be regarded as eligible to participate
 9 in the program under this title until he is satisfied that there
 10 is no longer any such failure to comply.

11 JUDICIAL REVIEW

12 SEC. 108. (a) If any State is dissatisfied with the Com-
 13 missioner's final action with respect to the approval of its
 14 State plan submitted under section 104(a) or with his final
 15 action under section 107(b), such State may, within sixty
 16 days after notice of such action, file with the United States
 17 court of appeals for the circuit in which the State is located
 18 a petition for review of that action. A copy of the petition
 19 shall be forthwith transmitted by the clerk of the court to
 20 the Commissioner. The Commissioner thereupon shall file
 21 in the court the record of the proceedings on which he based
 22 his action, as provided in section 2112 of title 28, United
 23 States Code.

24 (b) The findings of fact by the Commissioner, if sup-
 25 ported by substantial evidence, shall be conclusive; but the

1 court, for good cause shown, may remand the case to the
 2 Commissioner to take further evidence, and the Commis-
 3 sioner may thereupon make new or modified findings of fact
 4 and may modify his previous action, and shall certify to
 5 the court the record of the further proceedings. Such new
 6 or modified findings of fact shall likewise be conclusive if
 7 supported by substantial evidence.

8 (c) The court shall have jurisdiction to affirm the action
 9 of the Commissioner or to set it aside, in whole or in part.
 10 The judgment of the court shall be subject to review by the
 11 Supreme Court of the United States upon certiorari or certifi-
 12 cation as provided in section 1254 of title 28, United States
 13 Code.

14 NATIONAL ADVISORY COUNCIL ON EXTENSION AND
 15 CONTINUING EDUCATION

16 SEC. 109. (a) The President shall, within ninety days
 17 of enactment of this title, appoint a National Advisory Coun-
 18 cil on Extension and Continuing Education (hereafter re-
 19 ferred to as the "Advisory Council"), consisting of the Com-
 20 missioner, who shall be Chairman, one representative each
 21 of the Departments of Agriculture, Commerce, Defense,
 22 Labor, Interior, and State, of the Housing and Home
 23 Finance Agency, and the Office of Economic Opportunity,
 24 and of such other Federal agencies having extension education
 25 responsibilities as the President may designate, and twelve

1 *members appointed, for staggered terms and without regard*
2 *to the civil service laws, by the President. Such twelve mem-*
3 *bers shall, to the extent possible, include persons knowledge-*
4 *able in the fields of extension and continuing education, State*
5 *and local officials, and other persons having special knowl-*
6 *edge, experience, or qualification with respect to community*
7 *problems, and persons representative of the general public.*
8 *The Advisory Council shall meet at the call of the Chairman*
9 *but not less often than twice a year.*

10 *(b) The Advisory Council shall advise the Commis-*
11 *sioner in the preparation of general regulations and with*
12 *respect to policy matters arising in the administration of*
13 *this title, including policies and procedures governing the*
14 *approval of State plans under section 104(b), the approval*
15 *of projects and activities under section 106, and policies to*
16 *eliminate duplication and to effectuate the coordination of*
17 *programs under this title and other programs offering ex-*
18 *tension or continuing education activities and services.*

19 *(c) The Advisory Council shall review the administra-*
20 *tion and effectiveness of all federally supported extension and*
21 *continuing education programs, make recommendations with*
22 *respect thereto, and make annual reports commencing on*
23 *March 31, 1967, of its findings and recommendations (in-*
24 *cluding recommendations for changes in the provisions of*

1 *Federal laws relating to extension and continuing education*
2 *activities) to the Secretary and to the President. The Presi-*
3 *dent shall transmit each such report to the Congress, together*
4 *with his comments and recommendations.*

5 *(d) Members of the Advisory Council who are not regu-*
6 *lar full-time employees of the United States shall, while serv-*
7 *ing on the business of the Council, be entitled to receive*
8 *compensation at rates fixed by the Secretary, but not exceed-*
9 *ing \$100 per day, including travel time; and, while so serv-*
10 *ing away from their homes or regular places of business,*
11 *members may be allowed travel expenses, including per diem*
12 *in lieu of subsistence, as authorized by section 5 of the Ad-*
13 *ministrative Expenses Act of 1946 (5 U.S.C. 73b-2) for*
14 *persons in the Government service employed intermittently.*

15 *(e) The Secretary shall engage such technical assistance*
16 *as may be required to carry out the functions of the Advisory*
17 *Council, and the Secretary shall, in addition, make available*
18 *to the Advisory Council such secretarial, clerical, and other*
19 *assistance and such pertinent data prepared by the Depart-*
20 *ment of Health, Education, and Welfare as it may require*
21 *to carry out its functions.*

22 *(f) In carrying out its functions pursuant to this sec-*
23 *tion, the Advisory Council may utilize the services and facili-*

1 *ties of any agency of the Federal Government, in accordance*
 2 *with agreements between the Secretary and the head of such*
 3 *agency.*

4 *SEC. 110. Nothing in this title shall modify authorities*
 5 *under the Act of the February 23, 1917 (Smith-Hughes*
 6 *Vocational Education Act), as amended (20 U.S.C. 11-15,*
 7 *16-28); the Vocational Education Act of 1946, as amended*
 8 *(20 U.S.C. 15i-15m, 15o-15q, 15aa-15jj, and 15aaa-*
 9 *15ggg); the Vocational Education Act of 1963 (20 U.S.C.*
 10 *35-35n); title VIII of the Housing Act of 1964 (Public*
 11 *Law 88-560); of the Act of May 8, 1914 (Smith-Lever*
 12 *Act), as amended (7 U.S.C. 341-348).*

13 LIMITATION

14 *SEC. 111. No grant may be made under this title for*
 15 *any education activities or services related to sectarian in-*
 16 *struction or religious worship, or provided by a school or*
 17 *department of divinity. For purposes of this section, the*
 18 *term "school or department of divinity" means an institu-*
 19 *tion or a department or branch of an institution whose pro-*
 20 *gram is specifically for the education of students to prepare*
 21 *them to become ministers of religion or to enter upon some*
 22 *other religious vocation, or to prepare them to teach theological*
 23 *subjects.*

1 *TITLE II—COLLEGE LIBRARY ASSISTANCE*
2 *AND LIBRARY TRAINING AND RESEARCH*

3 *PART A—COLLEGE LIBRARY RESOURCES*

4 *APPROPRIATIONS AUTHORIZED*

5 *SEC. 201. There are authorized to be appropriated*
6 *\$50,000,000 for the fiscal year ending June 30, 1966, and*
7 *for each of the four succeeding fiscal years, to enable the*
8 *Commissioner to make grants under this part to institutions*
9 *of higher education to assist and encourage such institutions*
10 *in the acquisition for library purposes of books, periodicals,*
11 *documents, magnetic tapes, phonograph records, audiovisual*
12 *materials, and other related library materials (including*
13 *necessary binding).*

14 *BASIC GRANTS*

15 *SEC. 202. From 75 per centum of the sums appropriated*
16 *pursuant to section 201 for any fiscal year, the Commissioner*
17 *is authorized to make basic grants for the purposes set forth*
18 *in that section to institutions of higher education and com-*
19 *binations of such institutions. The amount of a basic grant*
20 *shall not exceed \$5,000 for each such institution of higher*
21 *education and each branch of such institution which is located*
22 *in a community different from that in which its parent*
23 *institution is located, and a basic grant under this subsection*
24 *may be made only if the application therefor is approved*
25 *by the Commissioner upon his determination that the ap-*

1 plication (whether by an individual institution or a com-
2 bination of institutions)—

3 (a) provides satisfactory assurance that the appli-
4 cant will expend during the fiscal year for which the
5 grant is requested (from funds other than funds received
6 under this part) for all library purposes (exclusive of
7 construction) (1) an amount not less than the average
8 annual amount it expended for such purposes during the
9 two-year period ending June 30, 1965 and (2) an
10 amount (from such other sources) equal to not less than
11 the amount of such grant;

12 (b) provides satisfactory assurance that the ap-
13 plicant will expend during the fiscal year for which the
14 grant is requested (from funds other than funds received
15 under this part) for books, periodicals, documents, mag-
16 netic tapes, phonograph records, audiovisual materials,
17 and other related materials (including necessary bind-
18 ing) for library purposes an amount not less than the
19 average annual amount it expended for such materials
20 during the two-year period ending June 30, 1965;

21 (c) provides for joint use of library facilities with
22 other institutions where feasible;

23 (d) provides for such fiscal control and fund ac-
24 counting procedures as may be necessary to assure proper

1 *disbursement of and accounting for Federal funds paid*
2 *to the applicant under this section; and*

3 (e) provides for making such reports, in such form
4 and containing such information, as the Commissioner
5 may require to carry out his functions under this section,
6 and for keeping such records and for affording such
7 access thereto as the Commissioner may find necessary
8 to assure the correctness and verification of such reports.

9 SUPPLEMENTAL GRANTS

10 *SEC. 203. (a) From the remainder of such 75 per*
11 *centum of the sums appropriated pursuant to section 201 for*
12 *any fiscal year, plus any part of such sums as the Commis*
13 *sioner determines will not be needed for making grants under*
14 *section 204, the Commissioner is authorized to make sup-*
15 *plemental grants for the purposes set forth in section 201*
16 *to institutions of higher education and combinations of such*
17 *institutions. The amount of a supplemental grant shall not*
18 *exceed \$10 for each full-time student (including the full-time*
19 *equivalent of the number of part-time students) enrolled in*
20 *each such institution, as determined pursuant to regulations*
21 *of the Commissioner. A supplemental grant may be made*
22 *only upon application therefor, in such form and containing*
23 *such information as the Commissioner may require, which*
24 *application shall—*

25 (1) meet the application requirements set forth in

section 202 except for the matching requirement set forth in paragraph (a)(2) of that section;

(2) describe the size and quality of the library resources of the applicant in relation to its present enrollment and any expected increase in its enrollment;

(3) set forth any special circumstances which are impeding or will impede the proper development of its library resources; and

(4) provide a general description of how a supplemental grant would be used to improve the size or quality of its library resources.

(b) The Commissioner shall approve applications for supplemental grants on the basis of basic criteria prescribed in regulations and developed after consultation with the Council created under section 205. Such basic criteria shall be such as will best tend to achieve the objectives of this part and they (1) may take into consideration factors such as the size and age of the library collection and student enrollment, and (2) shall give priority to institutions in need of financial assistance for library purposes.

SPECIAL PURPOSE GRANTS

SEC. 204. (a) Twenty-five per centum of the sums appropriated pursuant to section 201 for each fiscal year shall be used by the Commissioner to make special grants (1) to

1 *institutions of higher education which demonstrate a special*
2 *need for additional library resources and which demonstrate*
3 *that such additional library resources will make a substantial*
4 *contribution to the quality of their educational resources,*
5 *(2) to institutions of higher education to meet special na-*
6 *tional or regional needs in the library and information*
7 *sciences, including those in the physical and social science*
8 *fields, and (3) to combinations of institutions of higher edu-*
9 *cation which need special assistance in establishing and*
10 *strengthening joint-use facilities. Grants under this section*
11 *may be used only for books, periodicals, documents, magnetic*
12 *tapes, phonograph records, audiovisual materials, and other*
13 *related library materials (including necessary binding).*

14 *(b) Grants pursuant to this section shall be made upon*
15 *application providing satisfactory assurance that (1) the*
16 *applicant (or applicants jointly in the case of a combination*
17 *of institutions) will expend during the fiscal year for which*
18 *the grant is requested (from funds other than funds received*
19 *under this part) for the same purposes as such grant an*
20 *amount from such other sources equal to $33\frac{1}{3}$ per centum*
21 *of such grant, and (2) each such applicant will expend*
22 *(from such other sources) for all library purposes (exclusive*
23 *of construction) an amount not less than the average annual*

1 amount it expended for such purposes during the two-year
2 period ending June 30, 1965.

3 *ADVISORY COUNCIL ON COLLEGE LIBRARY RESOURCES*

4 *SEC. 205. (a) The Commissioner shall establish in the*
5 *Office of Education an Advisory Council on College Library*
6 *Resources consisting of the Commissioner, who shall be*
7 *Chairman, and eight members appointed, without regard to*
8 *the civil service laws, by the Commissioner with the ap-*
9 *proval of the Secretary.*

10 *(b) The Advisory Council shall advise the Commis-*
11 *sioner with respect to establishing criteria for the making*
12 *of supplemental grants under section 203 and the making*
13 *of special purpose grants under section 204. The Commis-*
14 *sioner may appoint such special advisory and technical ex-*
15 *perts and consultants as may be useful in carrying out the*
16 *functions of the Advisory Council.*

17 *(c) Members of the Advisory Council, while serving*
18 *on business of the Advisory Council, shall receive compen-*
19 *sation at a rate to be fixed by the Secretary, but not exceed-*
20 *ing \$100 per day, including travel time; and, while so*
21 *serving away from their homes or regular places of business,*
22 *they may be allowed travel expenses, including per diem*
23 *in lieu of subsistence, as authorized by section 5 of the Ad-*

1 *ministrative Expenses Act of 1946 (5 U.S.C. 73b-2) for*
2 *persons in the Government service employed intermittently.*

3 *ACCREDITATION REQUIREMENT FOR PURPOSES*

4 *OF THIS PART*

5 *SEC. 206. For the purposes of this part, an educational*
6 *institution shall be deemed to have been accredited by a*
7 *nationally recognized accrediting agency or association if*
8 *the Commissioner determines that there is satisfactory assur-*
9 *ance that upon acquisition of the library resources with*
10 *respect to which assistance under this part is sought, or upon*
11 *acquisition of those resources and other library resources*
12 *planned to be acquired within a reasonable time, the insti-*
13 *tution will meet the accreditation standards of such agency*
14 *or association.*

15 *LIMITATION*

16 *SEC. 207. No grant may be made under this part for*
17 *books, periodicals, documents, or other related materials to*
18 *be used for sectarian instruction or religious worship, or*
19 *primarily in connection with any part of the program of a*
20 *school or department of divinity. For purposes of this sec-*
21 *tion the term "school or department of divinity" means an*
22 *institution or a department or branch of an institution whose*
23 *program is specifically for the education of students to pre-*
24 *pare them to become ministers of religion or to enter upon*

1 some other religious vocation, or to prepare them to teach
2 theological subjects.

3 *PART B—LIBRARY TRAINING AND RESEARCH*

4 *APPROPRIATIONS AUTHORIZED*

5 *SEC. 221. There are authorized to be appropriated*
6 *\$7,500,000 for the fiscal year ending June 30, 1966, and*
7 *\$15,000,000 for the fiscal year ending June 30, 1967, and*
8 *for each of the three succeeding fiscal years, for the purpose*
9 *of carrying out this part.*

10 *DEFINITION OF "LIBRARIANSHIP"*

11 *SEC. 222. For the purposes of this part the term*
12 *"librarianship" means the principles and practices of the*
13 *library and information sciences, including the acquisition,*
14 *organization, storage, retrieval, and dissemination of infor-*
15 *mation, and reference and research use of library and other*
16 *information resources.*

17 *GRANTS FOR TRAINING IN LIBRARIANSHIP*

18 *SEC. 223. (a) The Commissioner is authorized to make*
19 *grants to institutions of higher education to assist them in*
20 *training persons in librarianship, including the training of*
21 *specialists in the communication of information in the physi-*
22 *cal and social sciences. Such grants may be used by such*
23 *institutions to assist in covering the cost of courses of train-*
24 *ing or study for such persons, and for establishing and main-*

1 *taining fellowships or traineeships with stipends (including*
2 *allowances for traveling, subsistence, and other expenses) for*
3 *fellows and others undergoing training and their dependents*
4 *not in excess of such maximum amounts as may be prescribed*
5 *by the Commissioner.*

6 *(b) The Commissioner may make a grant to an insti-*
7 *tution of higher education only upon application by the*
8 *institution and only upon his finding that such program will*
9 *substantially further the objective of increasing the opportu-*
10 *nities throughout the Nation for training in librarianship.*

11 *RESEARCH AND DEMONSTRATIONS RELATING TO LIBRARIES*

12 *AND THE TRAINING OF LIBRARY PERSONNEL*

13 *SEC. 224. (a) The Commissioner is authorized to make*
14 *grants to institutions of higher education and other public*
15 *or private agencies, institutions, and organizations and to*
16 *individuals, for research and demonstration projects relating*
17 *to the improvement of libraries or the improvement of train-*
18 *ing in librarianship, including the development of new tech-*
19 *niques, systems, and equipment for processing, storing, and*
20 *distributing information, and for the dissemination of infor-*
21 *mation derived from such research and demonstrations, and,*
22 *without regard to section 3709 of the Revised Statutes*
23 *(41 U.S.C. 5), to provide by contracts with them for the*
24 *conduct of such activities; except that no such grant may be*

1 made to a private agency, organization, or institution other
2 than a nonprofit one.

3 (b) The Commissioner is authorized to appoint such
4 special or technical advisory committees as he may deem
5 necessary to advise him on matters of general policy con-
6 cerning research and demonstration projects relating to the
7 improvement of libraries and the improvement of training
8 in librarianship, or concerning special services necessary
9 thereto or special problems involved therein.

10 (c) The Commissioner shall also from time to time
11 appoint panels of experts competent to evaluate various
12 types of research and demonstration projects under this
13 section, and shall obtain the advice and recommendations
14 of such a panel before making each grant under this section.

15 (d) Members of any committee or panel appointed
16 under this section who are not regular full-time employees
17 of the United States shall, while serving on the business
18 of such a committee or panel, be entitled to receive com-
19 pensation at rates fixed by the Commissioner, but not in
20 excess of \$100 per diem, including travel time; and they
21 may, while so serving away from their homes or regular
22 places of business, be allowed travel expenses, including per
23 diem in lieu of subsistence, as authorized by section 5 of the

1 *Administrative Expenses Act of 1946 (5 U.S.C. 73b-2)*
2 *for persons in the Government service employed inter-*
3 *mittently.*

4 *PART C—CATALOGING OF LIBRARY MATERIALS*

5 *AUTHORIZATION*

6 *SEC. 241. There are hereby authorized to be appropri-*
7 *ated \$5,000,000 for the fiscal year ending June 30, 1966,*
8 *\$6,315,000 for the fiscal year ending June 30, 1967, and*
9 *\$7,770,000 for the fiscal year ending June 30, 1968, and*
10 *for each of the two succeeding fiscal years, to enable the*
11 *Commissioner to transfer funds to the Librarian of Con-*
12 *gress for the purpose of—*

13 *(1) insuring, so far as possible, the acquisition by*
14 *the Library of Congress of all library materials cur-*
15 *rently published throughout the world of value to schol-*
16 *arship; and*

17 *(2) providing catalog information for these mate-*
18 *rials promptly after receipt, and distributing bibliog-*
19 *raphic information by printing catalog cards and by*
20 *other means, and authorizing the Library of Congress*
21 *to use for exchange and other purposes such of these mate-*
22 *rials not needed for its own collections.*

*TITLE III—STRENGTHENING DEVELOPING
INSTITUTIONS*

STATEMENT OF PURPOSE AND APPROPRIATIONS

AUTHORIZED

SEC. 301. (a) The purpose of this title is to assist in raising the academic quality of colleges which have the desire and potential to make a substantial contribution to the higher education resources of our Nation but which for financial and other reasons are struggling for survival and are isolated from the main currents of academic life, and to do so by enabling the Commissioner to establish a national teaching fellow program and to encourage and assist in the establishment of cooperative arrangements under which these colleges may draw on the talent and experience of our finest colleges and universities, and on the educational resources of business and industry, in their effort to improve their academic quality.

(b) There are authorized to be appropriated—

(1) \$25,000,000 for the fiscal year ending June 30, 1966, and for each of the four succeeding fiscal years, for carrying out the provisions of this title with

1 *respect to developing institutions which plan to award*
 2 *one or more bachelors degrees during such year;*

3 *(2) \$25,000,000 for the fiscal year ending June*
 4 *30, 1966, and for each of the four succeeding fiscal*
 5 *years, for carrying out the provisions of this title with*
 6 *respect to developing institutions which do not plan to*
 7 *award such a degree during such year; and*

8 *(3) \$5,000,000 for the fiscal year ending June 30,*
 9 *1966, and \$10,000,000 for the fiscal year ending June*
 10 *30, 1967, and for each of the three succeeding fiscal*
 11 *years, to be used for the same purpose as amounts appro-*
 12 *priated pursuant to clause (1) or (2), or both, as de-*
 13 *termined by the Commissioner.*

14 *DEFINITION OF "DEVELOPING INSTITUTION"*

15 *SEC. 302. As used in this title the term "developing insti-*
 16 *tution" means a public or nonprofit educational institution*
 17 *which—*

18 *(a) admits as regular students only persons having*
 19 *a certificate of graduation from a high school, or the rec-*
 20 *ognized equivalent of such certificate;*

21 *(b) is legally authorized to provide, and provides*
 22 *within the State, an educational program for which it*
 23 *awards a bachelor's degree, or provides not less than a*
 24 *two-year program which is acceptable for full credit to-*
 25 *ward such a degree, or offers a two-year program in*

1 *engineering, mathematics, or the physical or biological*
2 *sciences which is designed to prepare the student to work*
3 *as a technician and at a semiprofessional level in engi-*
4 *neering, scientific, or other technological fields which*
5 *require the understanding and application of basic engi-*
6 *neering, scientific, or mathematical principles of knowl-*
7 *edge;*

8 *(c) is accredited by a nationally recognized accredit-*
9 *ing agency or association determined by the Commis-*
10 *sioner to be reliable authority as to the quality of train-*
11 *ing offered or is, according to such an agency or*
12 *association, making reasonable progress toward accredi-*
13 *tation;*

14 *(d) has met the requirements of clauses (a), (b),*
15 *and (c) during the two academic years preceding the aca-*
16 *demic year for which it seeks assistance under this title;*

17 *(e) is making a reasonable effort to improve the*
18 *quality of its teaching and administrative staffs and of*
19 *its student services;*

20 *(f) is seriously handicapped in its efforts to improve*
21 *such staffs and services by lack of financial resources*
22 *and a shortage of qualified professional personnel;*

23 *(g) meets such other requirements as the Commis-*
24 *sioner may prescribe by regulation; and*

25 *(h) is not an institution, or department or branch*

1 of an institution, whose program is specifically for the
2 education of students to prepare them to become ministers
3 of religion or to enter upon some other religious vocation
4 or to prepare them to teach theological subjects.

5 ADVISORY COUNCIL ON DEVELOPING INSTITUTIONS

6 SEC. 303. (a) The Commissioner shall establish in the
7 Office of Education an Advisory Council on Developing Insti-
8 tutions (hereinafter in this title referred to as the "Council"),
9 consisting of the Commissioner who shall be Chairman, one
10 representative each of such Federal agencies having responsi-
11 bilities with respect to developing institutions as the Com-
12 missioner may designate, and eight members appointed,
13 without regard to the civil service laws, by the Commissioner
14 with the approval of the Secretary.

15 (b) The Council shall advise the Commissioner with
16 respect to policy matters arising in the administration of this
17 title and in particular shall assist the Commissioner in iden-
18 tifying those developing institutions through which the pur-
19 poses of this title can best be achieved and in establishing
20 priorities for use in approving applications under this title.
21 The Commissioner may appoint such special advisory and
22 technical experts and consultants as may be useful in carry-
23 ing out the functions of the Council.

24 (c) Members of the Council who are not otherwise full-
25 time employees of the United States shall, while serving on

1 *business of the Council, receive compensation at a rate*
2 *to be fixed by the Secretary, but not exceeding \$100 per day,*
3 *including travel time; and, while so serving away from their*
4 *homes or regular places of business, members may be allowed*
5 *travel expenses, including per diem in lieu of subsistence,*
6 *as authorized by section 5 of the Administrative Expenses*
7 *Act of 1946 (5 U.S.C. 73b-2) for persons in the Govern-*
8 *ment service employed intermittently.*

9 *GRANTS FOR COOPERATIVE AGREEMENTS TO STRENGTHEN*
10 *DEVELOPING INSTITUTIONS*

11 *SEC. 304. (a) The Commissioner is authorized to*
12 *make grants to developing institutions and other colleges and*
13 *universities to pay part of the cost of planning, developing,*
14 *and carrying out cooperative arrangements which show*
15 *promise as effective measures for strengthening the academic*
16 *programs and the administration of developing institutions.*
17 *Such cooperative arrangements may be between developing*
18 *institutions, between developing institutions and other col-*
19 *leges and universities, and between developing institutions*
20 *and organizations, agencies, and business entities. Grants*
21 *under this section may be used for projects and activities*
22 *such as—*

23 *(1) exchange of faculty or students, including ar-*
24 *rangements for bringing visiting scholars to developing*
25 *institutions:*

1 (2) faculty and administration improvement pro-
2 grams utilizing training, education (including fellow-
3 ships leading to advanced degrees), internships, research
4 participation, and other means;

5 (3) introduction of new curriculums and curricular
6 materials;

7 (4) development and operation of cooperative edu-
8 cation programs involving alternate periods of academic
9 study and business or public employment;

10 (5) joint use of facilities such as libraries or labora-
11 tories, including necessary books, materials, and equip-
12 ment; and

13 (6) other arrangements which offer promise of
14 strengthening the academic programs and the adminis-
15 tration of developing institutions.

16 (b) A grant may be made under this section only
17 upon application to the Commissioner at such time or times
18 and containing such information as he deems necessary.
19 The Commissioner shall not approve an application unless
20 it—

21 (1) sets forth a program for carrying out one or
22 more projects or activities which meet the requirements
23 of subsection (a) and provides for such methods of ad-

1 *ministration as are necessary for the proper and efficient*
2 *operation of the program;*

3 *(2) sets forth policies and procedures which assure*
4 *that Federal funds made available under this section for*
5 *any fiscal year will be so used as to supplement and,*
6 *to the extent practical, increase the level of funds that*
7 *would, in the absence of such Federal funds, be made*
8 *available for purposes which meet the requirements of*
9 *subsection (a), and in no case supplant such funds;*

10 *(3) provides for such fiscal control and fund ac-*
11 *counting procedures as may be necessary to assure proper*
12 *disbursement of and accounting for Federal funds paid*
13 *to the applicant under this section; and*

14 *(4) provides for making such reports, in such form*
15 *and containing such information, as the Commissioner*
16 *may require to carry out his functions under this title,*
17 *and for keeping such records and for affording such*
18 *access thereto as the Commissioner may find necessary*
19 *to assure the correctness and verification of such reports.*

20 *(c) The Commissioner shall, after consultation with*
21 *the Council, establish criteria as to eligible expenditures for*
22 *which grants made under this section may be used, which*
23 *criteria shall be so designed as to prevent the use of such*

1 grants for expenditures not necessary to the achievement of
2 the purposes of this title.

3 NATIONAL TEACHING FELLOWSHIPS

4 SEC. 305. (a) The Commissioner is authorized to award
5 fellowships under this section to highly qualified graduate
6 students and junior members of the faculty of colleges and
7 universities, to encourage such individuals to teach at de-
8 veloping institutions. The Commissioner shall award fellow-
9 ships to individuals for teaching at developing institutions
10 only upon application by an institution approved for this
11 purpose by the Commissioner and only upon a finding by
12 the Commissioner that the program of teaching set forth
13 in the application is reasonable in the light of the qualifica-
14 tions of the teaching fellow and of the educational needs of
15 the applicant.

16 (b) Fellowships may be awarded under this section
17 for such period of teaching as the Commissioner may deter-
18 mine, but such period shall not exceed two academic years
19 or extend beyond June 30, 1970. Each person awarded a
20 fellowship under the provisions of this section shall receive
21 a stipend for each academic year of teaching of not more
22 than \$6,500 as determined by the Commissioner upon the
23 advice of the Council, plus an additional amount of \$400 for
24 each such year on account of each of his dependents.

1 *TITLE IV—STUDENT ASSISTANCE*2 *PART A—UNDERGRADUATE SCHOLARSHIPS*3 *STATEMENT OF PURPOSE AND APPROPRIATIONS*4 *AUTHORIZED*

5 *SEC. 401. (a) It is the purpose of this part to provide,*
6 *through institutions of higher education and State programs,*
7 *scholarships to assist in making available the benefits of*
8 *higher education to qualified high school graduates from*
9 *low-income families, who for lack of financial means of their*
10 *own or of their families would be unable to obtain such bene-*
11 *fits without such aid. It is further the purpose of the Con-*
12 *gress to encourage such institutions to use work-study and*
13 *loan programs and any other means of student aid available*
14 *to them to combine with or supplement scholarship aid under*
15 *this part, as may be appropriate in any case.*

16 *(b) There are hereby authorized to be appropriated*
17 *\$70,000,000 for the fiscal year ending June 30, 1966, and*
18 *for each of the four succeeding fiscal years, to enable the*
19 *Commissioner to make payments to (1) institutions of higher*
20 *education that have agreements with him entered into under*
21 *section 407, for use by such institutions (A) for payments*
22 *to undergraduate students for the initial academic year of*
23 *scholarships awarded to them under this part and (B) for*

1 *defraying (within the limits specified in section 407(b))*
 2 *eligible costs of administration, by such institutions, of the*
 3 *cooperative motivational program for high school students*
 4 *described in section 407(a) (5), and (2) States to be used*
 5 *in their scholarship programs pursuant to section 406(b).*
 6 *There are further authorized to be appropriated, for the fiscal*
 7 *year ending June 30, 1967, and each of the six succeeding*
 8 *fiscal years, such sums as may be necessary for payment*
 9 *to such institutions for use by them for making scholarship*
 10 *payments under this part to undergraduate students for*
 11 *academic years other than the initial year of their scholar-*
 12 *ship. Sums appropriated pursuant to this subsection for*
 13 *any fiscal year shall be available for payment to institutions*
 14 *until the close of the fiscal year succeeding the fiscal year*
 15 *for which they were appropriated. For the purposes of this*
 16 *subsection, payment for the first year of a scholarship shall*
 17 *not be considered as an initial-year payment if the scholar-*
 18 *ship was awarded for the continuing education of a student*
 19 *who had been previously awarded a scholarship under this*
 20 *part (whether by another institution or otherwise) and had*
 21 *received payment for any year of that scholarship.*

22 *AMOUNT OF SCHOLARSHIP—ANNUAL DETERMINATION*

23 *SEC. 402. From the funds received by it for such pur-*
 24 *pose under this part, an institution of higher education which*
 25 *awards a scholarship to a student under this part shall, for*

1 the duration of the scholarship, pay to that student for each
2 academic year during which he is in need of scholarship
3 aid to pursue a course of study at the institution, an amount
4 determined by the institution for such student with respect to
5 that year, which amount shall not exceed \$800, or \$1,000 in
6 the case of a student who during the preceding academic year
7 of college work received grades in the upper half of his class
8 or, if less, the amount deemed by the institution to be required
9 by such student to pursue the educational program involved
10 at the institution; except that if the amount of the payment so
11 determined for that year is less than \$200 no payment shall
12 be made under this part to that student for that year. The
13 Commissioner shall, subject to the foregoing limitations,
14 prescribe for the guidance of participating institutions basic
15 criteria or schedules (or both) for the determination of the
16 amount of any such scholarship, taking into account the
17 objective of limiting scholarship aid under this part to
18 students from low-income families and such other factors,
19 including the number of dependents in the family, as the
20 Commissioner may deem relevant.

21 *DURATION OF SCHOLARSHIP*

22 *SEC. 403. The duration of a scholarship awarded under*
23 *this part shall be the period required for completion by the*
24 *recipient of his undergraduate course of study at the institu-*
25 *tion of higher education from which he received the scholar-*

1 ship award, except that such period shall not exceed four
 2 academic years less any such period with respect to which
 3 the recipient has previously received payments under this
 4 part pursuant to a prior scholarship award (whether made
 5 by the same or another institution). A scholarship awarded
 6 under this part shall entitle the recipient to payments only if
 7 he (1) is maintaining satisfactory progress in the course of
 8 study which he is pursuing, according to the regularly pre-
 9 scribed standards and practices of the institution from which
 10 he received the award, and (2) is devoting essentially full
 11 time to that course of study, during the academic year, in
 12 attendance at that institution. Failure to be in attendance
 13 at the institution during vacation periods or periods of mili-
 14 tary service, or during other periods during which the Com-
 15 missioner determines in accordance with regulations that
 16 there is good cause for his nonattendance (during which
 17 periods he shall receive no payments), shall not be deemed
 18 contrary to clause (2).

19 *SELECTION OF RECIPIENTS OF SCHOLARSHIPS*

20 *SEC. 404. (a) An individual shall be eligible for a*
 21 *scholarship award under this part at any institution of higher*
 22 *education which has made an agreement with the Commis-*
 23 *sioner pursuant to section 407 (which institution is herein-*
 24 *after in this part referred to as an "eligible institution"), if*

1 the individual (1) is from a low-income family (as deter-
2 mined in accordance with the criteria or schedules prescribed
3 pursuant to section 402), and (2) makes application at the
4 time and in the manner prescribed by that institution.

5 (b) From among those eligible for scholarship awards
6 from an institution of higher education for each fiscal year,
7 the institution shall, in accordance with the provisions of its
8 agreement with the Commissioner under section 407 and
9 within the amount allocated to the institution for that pur-
10 pose for that year under section 406, select individuals who
11 are to be awarded such scholarships and determine, pursuant
12 to section 402, the amounts to be paid to them. An institu-
13 tion shall not award a scholarship to an individual unless it
14 determines that—

15 (1) he is in need of the scholarship to pursue a
16 course of study at such institution;

17 (2) he is capable, in the opinion of the institution,
18 of maintaining good standing in such course of study;
19 and

20 (3) he has been accepted for enrollment as a full-
21 time student at such institution or, in the case of a stu-
22 dent already attending such institution, is in good
23 standing and in full-time attendance there as an under-
24 graduate student.

1 APPORTIONMENT OF SCHOLARSHIP FUNDS AMONG STATES

2 SEC. 405. (a)(1) From the sums appropriated pursu-
3 ant to the first sentence of section 401(b) for any fiscal
4 year, the Commissioner shall apportion an amount equal
5 to not more than 2 per centum of such sums among Puerto
6 Rico, Guam, American Samoa, and the Virgin Islands ac-
7 cording to their respective needs for assistance under this
8 part. The remainder of the sums so appropriated shall be
9 apportioned among the States as provided in paragraph (2).

10 (2) Of the sums being apportioned under this subsec-
11 tion—

12 (A) one-third shall be apportioned by the Com-
13 missioner among the States so that the apportionment to
14 each State under this clause will be an amount which
15 bears the same ratio to such one-third as the number of
16 persons enrolled on a full-time basis in institutions of
17 higher education in such State bears to the total number
18 of persons enrolled on a full-time basis in institutions of
19 higher education in all the States,

20 (B) one-third shall be apportioned by the Commis-
21 sioner among the States so that the apportionment to
22 each State under this clause will be an amount which
23 bears the same ratio to such one-third as the number of
24 secondary school graduates of such State bears to the

1 *total number of such secondary school graduates of all*
2 *the States, and*

3 *(C) one-third shall be allotted by him among the*
4 *States so that the appointment to each State under this*
5 *clause will be an amount which bears the same ratio to*
6 *such one-third as the number of related children under*
7 *eighteen years of age living in families with annual in-*
8 *comes of less than \$3,000 in such State bears to the num-*
9 *ber of related children under eighteen years of age living*
10 *in families with annual incomes of less than \$3,000 in*
11 *all the States.*

12 *(3) For purposes of paragraphs (1) and (2) of this*
13 *subsection—*

14 *(A) the term “State” does not include Puerto Rico,*
15 *Guam, American Samoa, and the Virgin Islands,*

16 *(B) the term “secondary school graduate” means a*
17 *person who has received formal recognition (by diploma,*
18 *certificate, or similar means) from an approved school*
19 *for successful completion of four years of education be-*
20 *yond the first eight years of schoolwork, and*

21 *(C) the number of persons enrolled on a full-time*
22 *basis in institutions of higher education and the number*
23 *of secondary school graduates shall each be determined*
24 *by the Commissioner on the basis of the most recent*

1 satisfactory data available from the Department of
 2 Health, Education, and Welfare, and the number of
 3 related children under eighteen years of age living in
 4 families with annual incomes of less than \$3,000 shall
 5 be determined by the Commissioner on the basis of the
 6 most recent satisfactory data available from the Depart-
 7 ment of Commerce.

8 (4) If the total of the sums determined by the Com-
 9 missioner to be required under section 406 for any fiscal
 10 year for eligible institutions in a State is less than the amount
 11 of the apportionment to that State under paragraph (1) or
 12 (2) for that year, the Commissioner may reapportion the
 13 remaining amount from time to time, on such date or dates
 14 as he may fix, to other States in such manner as he deter-
 15 mines will best assist in achieving the purposes of this part.

16 (b) Sums appropriated pursuant to the second sentence
 17 of section 401(b) for any fiscal year shall be apportioned or
 18 reapportioned among the States in such manner as the Com-
 19 missioner determines to be necessary to carry out the pur-
 20 poses for which such sums are appropriated.

21 ALLOCATION OF APPORTIONED FUNDS TO INSTITUTIONS
 22 AND FOR STATE SCHOLARSHIP PLANS

23 SEC. 406. (a)(1) The Commissioner shall from time
 24 to time set dates by which eligible institutions in any State
 25 must file applications for allocation, to such institutions, of

1 student scholarship funds from the apportionment to that
2 State (and of any reapportionment thereto) for any fiscal
3 year pursuant to section 405(a), to be used for the purposes
4 specified in the first sentence of section 401(b). Such allo-
5 cations shall be made in accordance with equitable criteria
6 which the Commissioner shall establish and which shall be
7 designed to achieve such distribution of such funds among
8 eligible institutions within a State as will most effectively
9 carry out the purposes of this part.

10 (2) The Commissioner shall further, in accordance with
11 regulations, allot to eligible institutions, in any State, from
12 funds apportioned or reapportioned pursuant to section 405
13 (b), funds to be used for the scholarship payments specified
14 in the second sentence of section 401(b).

15 (3) Payment shall be made from allotments under this
16 section to institutions as needed.

17 (b) Upon request from the Governor of any State,
18 not to exceed 15 per centum of such State's apportionment
19 (not including any reapportionments) for any fiscal year
20 shall be paid to such State for use during such year in
21 granting scholarships to students in higher education if—

22 (1) such State provides an equal amount to be
23 used for the same purpose;

24 (2) such amount provided by such State represents
25 an increase in expenditures for such purpose by such

1 *State over the amount expended by such State for the*
 2 *previous fiscal year; and*

3 *(3) such scholarships are granted on the same basis*
 4 *of need, and are substantially the same in other respects,*
 5 *as scholarships granted by institutions of higher educa-*
 6 *tion pursuant to this part.*

7 *Requests for the purpose of this subsection shall be filed prior*
 8 *to such times as are established by the Commissioner, and*
 9 *shall be accompanied by such information with respect to*
 10 *the State's scholarship program under which the Federal*
 11 *payment is to be used as may be required by the Commis-*
 12 *sioner for the purposes of the part.*

13 *AGREEMENTS WITH INSTITUTIONS—CONDITIONS*

14 *SEC. 407. (a) An institution of higher education which*
 15 *desires to obtain funds for scholarships under this part, shall*
 16 *enter into an agreement with the Commissioner. Such agree-*
 17 *ment shall—*

18 *(1) provide that funds received by the institution*
 19 *under this part will be used by it only for the purposes*
 20 *specified in, and in accordance with, the provisions of*
 21 *this part;*

22 *(2) provide that in determining whether an indi-*
 23 *vidual is an eligible student from a low-income family*
 24 *the institution will (A) consider the source of such in-*
 25 *dividual's income and that of any individual or indi-*

viduals upon whom the student relies primarily for support, and (B) make an appropriate review of the assets of the student and of such individuals;

(3) provide that in the selection of students to receive scholarships under this part preference shall be given to (A) students who are beginning their first year of undergraduate study and (B) students who are transferring from an institution of higher education which customarily offers only a two-year program of study to an institution which offers four or more years of higher education;

(4) provide that the institution will, where appropriate, combine financial assistance in the form of loans under title II of the National Defense Education Act of 1958 or under a State or private plan, work-study opportunities under part C of title I of the Economic Opportunity Act of 1964 (as amended by part C of this title) or as may be offered otherwise, and scholarships under this part, in an effort to meet the financial needs of students from low-income families;

(5) provide that the institution, in cooperation with other institutions of higher education where appropriate, will make vigorous efforts to identify qualified youths from low-income families and to encourage them to

1 *continue their education beyond secondary school*
2 *through programs and activities such as—*

3 *(A) establishing or strengthening close work-*
4 *ing relationships with secondary-school principals*
5 *and guidance and counseling personnel with a view*
6 *toward motivating students to complete secondary*
7 *school and pursue post-secondary-school educational*
8 *opportunities, and*

9 *(B) making, to the extent feasible, tentative*
10 *commitments for scholarships to qualified students*
11 *enrolled in grade 11 and lower grades or to*
12 *secondary-school dropouts who have a demonstrated*
13 *aptitude for college study;*

14 *(6) provide assurance that the institution will con-*
15 *tinue to spend in its own scholarship and student-aid*
16 *program, from sources other than funds received under*
17 *this part, not less than the average expenditure per*
18 *year made for that purpose during the most recent*
19 *period of three fiscal years preceding the effective date*
20 *of the agreement;*

21 *(7) include provisions designed to make scholar-*
22 *ships under this part reasonably available (to the extent*
23 *of available funds) to all eligible students in the insti-*
24 *tution in need thereof; and*

25 *(8) include such other provisions as may be neces-*

sary to protect the financial interest of the United States and promote the purposes of this part.

(b)(1) An institution, which has in effect an agreement for Federal capital contributions for a student loan fund pursuant to title II of the National Defense Education Act of 1958, may use, as an additional Federal capital contribution for the purposes of such loan fund, not to exceed 25 per centum of the funds paid to it for any fiscal year ending prior to July 1, 1970, for the purpose set forth in section 401(b)(1)(A). The requirement in section 204(2)(B) of such Act shall not apply to such a Federal capital contribution.

(2) For the purpose of making payments from amounts appropriated pursuant to the second sentence of section 401(b), any institution electing for any fiscal year to use an amount of its payment as a Federal capital contribution pursuant to paragraph (1) shall be paid an equal amount for each of the succeeding three fiscal years from such amounts appropriated pursuant to such second sentence, if such amount paid to the institution is used by such institution as such a Federal capital contribution.

(c) An institution may spend up to 5 per centum of the funds paid to it for any fiscal year ending prior to July 1, 1970, for the administration of the program described in paragraph (5) of subsection (a).

1 *CONTRACTS TO ENCOURAGE FULL UTILIZATION OF*
2 *EDUCATIONAL TALENT*

SEC. 408. (a) To assist in achieving the purposes of this title the Commissioner is authorized (without regard to section 3709 of the Revised Statutes (41 U.S.C. 5)), to enter into contracts, not to exceed \$100,000 per year, with State and local educational agencies and other public or nonprofit organizations and institutions for the purpose of—

- (1) identifying qualified youths from low-income families and encouraging them to complete secondary school and undertake postsecondary educational training,
- (2) publicizing existing forms of student financial aid, including aid furnished under this part, and
- (3) encouraging secondary-school dropouts of demonstrated aptitude to reenter educational programs, including post-secondary-school programs.

17 *(b) There are hereby authorized to be appropriated such*
18 *sums as may be necessary to carry out this section.*

19 DEFINITION OF "ACADEMIC YEAR"

20 *SEC. 409. As used in this part, the term “academic*
21 *year” means an academic year or its equivalent as defined*
22 *in regulations of the Commissioner.*

1 *PART B—FEDERAL, STATE, AND PRIVATE PROGRAMS OF*
2 *LOW-INTEREST INSURED LOANS TO STUDENTS IN IN-*
3 *STITUTIONS OF HIGHER EDUCATION*

4 *STATEMENT OF PURPOSE AND APPROPRIATIONS*

5 *AUTHORIZED*

6 *SEC. 421. (a) The purpose of this part is to enable*
7 *the Commissioner (1) to encourage States and nonprofit*
8 *private institutions and organizations to establish adequate*
9 *loan insurance programs for students in eligible institutions*
10 *(as defined in section 435), (2) to provide a Federal pro-*
11 *gram of student loan insurance for students who do not*
12 *have reasonable access to a State or private nonprofit pro-*
13 *gram of student loan insurance covered by an agreement*
14 *under section 428(b), and (3) to pay a portion of the*
15 *interest on loans to qualified students which are insured un-*
16 *der this part or under a program of a State or of a nonprofit*
17 *private institution or organization which meets the require-*
18 *ments of section 428(a)(1)(A).*

19 *(b) For the purpose of carrying out this part—*

20 *(1) there are authorized to be appropriated to the*
21 *student loan insurance fund (established by section 431)*

22 *(A) the sum of \$1,000,000, and (B) such further sums,*

1 if any, as may become necessary for the adequacy of the
2 student loan insurance fund,

3 (2) there are authorized to be appropriated, for
4 payments under section 428 with respect to interest on
5 insured loans, such sums for the fiscal year ending June
6 30, 1966, and succeeding fiscal years, as may be required
7 therefor, and

8 (3) there are authorized to be appropriated the
9 sum of \$17,500,000 for making advances pursuant to
10 section 422 for the reserve funds of State and nonprofit
11 private student loan insurance programs.

12 Sums appropriated under clauses (1) and (2) of this sub-
13 section shall remain available until expended, and sums ap-
14 propriated under clause (3) of this subsection shall remain
15 available for advances under section 422 until the close of
16 the fiscal year ending June 30, 1968.

17 ADVANCES FOR RESERVE FUNDS OF STATE AND NON-
18 PROFIT PRIVATE LOAN INSURANCE PROGRAMS

19 SEC. 422. (a)(1) From the sums appropriated pur-
20 suant to clause (3) of section 421(b), the Commissioner is
21 authorized to make advances to any State with which he
22 has made an agreement pursuant to section 428(b) for the
23 purpose of helping to establish or strengthen the reserve fund
24 of the student loan insurance program covered by that agree-
25 ment. If for any of the fiscal years ending June 30, 1966,

1 *June 30, 1967, or June 30, 1968, a State does not have a*
2 *student loan insurance program covered by an agreement*
3 *pursuant to section 428(b), and the Commissioner determines*
4 *after consultation with the chief executive officer of that State*
5 *that there is no reasonable likelihood that the State will have*
6 *such a student loan insurance program for such year, the*
7 *Commissioner may make advances for such year for the same*
8 *purpose to one or more nonprofit private institutions or orga-*
9 *nizations with which he has made an agreement pursuant to*
10 *section 428(b) in order to enable students in that State to*
11 *participate in a program of student loan insurance covered by*
12 *such an agreement. The Commissioner may make advances*
13 *under this subsection both to a State program with which*
14 *he has such an agreement and to one or more nonprofit*
15 *private institutions or organizations with which he has such*
16 *an agreement in that State if he determines that such ad-*
17 *vances are necessary in order that students in each eligible*
18 *institution have access through such institution to a student*
19 *loan insurance program which meets the requirements of*
20 *section 428(b)(1).*

21 *(2) Advances pursuant to this subsection shall be upon*
22 *such terms and conditions (including conditions relating to*
23 *the time or times of payment) consistent with the require-*
24 *ments of section 428(b) as the Commissioner determines*

1 will best carry out the purposes of this section. Advances
2 made by the Commissioner under this subsection shall be
3 repaid within such period as the Commissioner may deem to
4 be appropriate in each case in the light of the maturity and
5 solvency of the reserve fund for which the advance was
6 made.

7 (b) The total of the advances to any State pursuant to
8 subsection (a) may not exceed an amount which bears the
9 same ratio to $2\frac{1}{2}$ per centum of \$700,000,000 as the popu-
10 lation of that State aged eighteen to twenty-two, inclusive,
11 bears to the total population of all the States aged eighteen
12 to twenty-two, inclusive. If the amount so determined for
13 any State, however, is less than \$25,000, it shall be in-
14 creased to \$25,000 and the total of the increases thereby
15 required shall be derived by proportionately reducing (but
16 not below \$25,000) the amount so determined for each of the
17 remaining States. Advances to nonprofit private institutions
18 and organizations pursuant to subsection (a) may be in such
19 amounts as the Commissioner determines will best achieve
20 the purposes for which they are made, except that the sum
21 of (1) advances to such institutions and organizations for
22 the benefit of students in any State plus (2) the amounts
23 advanced to such State, may not exceed the maximum amount
24 which may be advanced to that State pursuant to the first
25 two sentences of this subsection. For the purposes of

1 *this subsection, the population aged eighteen to twenty-two,*
2 *inclusive, of each State and of all the States shall be deter-*
3 *mined by the Commissioner on the basis of the most satisfac-*
4 *tory data available to him.*

5 *EFFECT OF ADEQUATE NON-FEDERAL PROGRAMS*

6 *SEC. 423. The Commissioner shall not issue certificates*
7 *of insurance under section 429 to lenders in a State if he*
8 *determines that every eligible institution has reasonable access*
9 *in that State to a State or private nonprofit student loan*
10 *insurance program which is covered by an agreement under*
11 *section 428(b).*

12 *SCOPE AND DURATION OF LOAN INSURANCE PROGRAM*

13 *SEC. 424. (a) The total principal amount of new loans*
14 *made and installments paid pursuant to lines of credit (as*
15 *defined in section 435) to students covered by insurance*
16 *under this part shall not exceed \$700,000,000 in the fiscal*
17 *year ending June 30, 1966, \$1,000,000,000 in the fiscal*
18 *year ending June 30, 1967, and \$1,400,000,000 in the fiscal*
19 *year ending June 30, 1968. Thereafter, insurance pur-*
20 *suant to this part may be granted only for loans made (or*
21 *for loan installments paid pursuant to lines of credit) to*
22 *enable students, who have obtained prior loans insured*
23 *under this part, to continue or complete their educational*
24 *programs; but no insurance may be granted for any loan*
25 *made or installment paid after June 30, 1972.*

1 (b) The Commissioner may, if he finds it necessary to
2 do so in order to assure an equitable distribution of the bene-
3 fits of this part, assign, within the maximum amounts speci-
4 fied in subsection (a), insurance quotas applicable to eligible
5 lenders, or to States or areas, and may from time to time
6 reassign unused portions of these quotas.

7 LIMITATIONS ON INDIVIDUAL LOANS AND ON INSURANCE

8 SEC. 425. (a) The total of the loans made to a student
9 in any academic year or its equivalent (as determined under
10 regulations of the Commissioner) which may be covered
11 by insurance under this part may not exceed \$1,500 in the
12 case of a graduate or professional student (as defined in regu-
13 lations of the Commissioner), or \$1,000 in the case of any
14 other student. The aggregate insured unpaid principal
15 amount of all such insured loans made to any student shall
16 not at any time exceed \$7,500 in the case of any graduate
17 or professional student (as defined in regulations of the
18 Commissioner, and including any such insured loans made
19 to such person before he became a graduate or professional
20 student), or \$5,000 in the case of any other student. The
21 annual insurable limit per student shall not be deemed to be
22 exceeded by a line of credit under which actual payments
23 by the lender to the borrower will not be made in any year
24 in excess of the annual limit.

25 (b) The insurance liability on any loan insured under

1 *this part shall be 100 per centum of the unpaid balance*
2 *of the principal amount of the loan. Such insurance liability*
3 *shall not include liability for interest whether or not that*
4 *interest has been added to the principal amount of the loan.*

5 *SOURCES OF FUNDS*

6 *SEC. 426. Loans made by eligible lenders in accord-*
7 *ance with this part shall be insurable whether made from*
8 *funds fully owned by the lender or from funds held by the*
9 *lender in a trust or similar capacity and available for such*
10 *loans.*

11 *ELIGIBILITY OF STUDENT BORROWERS AND TERMS OF*

12 *STUDENT LOANS*

13 *SEC. 427. (a) A loan by an eligible lender shall be*
14 *insurable under the provisions of this part only if—*

15 *(1) made to a student who (A) has been accepted*
16 *for enrollment at an eligible institution or, in the case*
17 *of a student already attending such institution, is in good*
18 *standing there as determined by the institution, and*
19 *(B) is carrying at least one-half of the normal full-time*
20 *workload as determined by the institution, and (C) has*
21 *provided the lender with a statement of the institution*
22 *which sets forth a schedule of the tuition and fees appli-*
23 *cable to that student and its estimate of the cost of board*
24 *and room for such a student; and*

1 (2) evidenced by a note or other written agreement
2 which—

3 (A) is made without security and without en-
4 dorsement, except that if the borrower is a minor
5 and such note or other written agreement executed
6 by him would not, under the applicable law, create
7 a binding obligation, endorsement may be required,

8 (B) provides for repayment (except as pro-
9 vided in subsection (c)) of the principal amount of
10 the loan in installments over a period of not less
11 than five years (unless sooner repaid) nor more
12 than ten years beginning not earlier than nine months
13 nor later than one year after the date on which the
14 student ceases to carry at an eligible institution at
15 least one-half the normal full-time academic work-
16 load as determined by the institution, except (i)
17 as provided in clause (C) below, (ii) that the
18 period of the loan may not exceed fifteen years
19 from the execution of the note or written agree-
20 ment evidencing it and (iii) that the note or other
21 written instrument may contain such provisions re-
22 lating to repayment in the event of default in the
23 payment of interest or in the payment of the cost
24 of insurance premiums, or other default by the
25 borrower, as may be authorized by regulations of

1 *the Commissioner in effect at the time the loan is*
2 *made,*

3 *(C) provides that periodic installments of prin-*
4 *cipal need not be paid, but interest shall accrue*
5 *and be paid, during any period (i) during which*
6 *the borrower is pursuing a full-time course of study*
7 *at an institution of higher education or at a com-*
8 *parable institution outside the States approved for*
9 *this purpose by the Commissioner, (ii) not in excess*
10 *of three years, during which the borrower is a mem-*
11 *ber of the Armed Forces of the United States, or*
12 *(iii) not in excess of three years during which the*
13 *borrower is in service as a volunteer under the*
14 *Peace Corps Act, and any such period shall not be*
15 *included in determining the ten-year period or the*
16 *fifteen-year period provided in clause (B) above,*

17 *(D) provides for interest on the unpaid princi-*
18 *pal balance of the loan at a yearly rate, not exceed-*
19 *ing the applicable maximum rate prescribed and*
20 *defined by the Secretary (within the limits set forth*
21 *in subsection (b)) on a national, regional, or other*
22 *appropriate basis, which interest shall be payable in*
23 *installments over the period of the loan except that,*
24 *if provided in the note or other written agreement,*
25 *any interest payable by the student may be deferred*

1 until not later than the date upon which repayment
2 of the first installment of principal falls due, in which
3 case interest that has so accrued during that period
4 may be added on that date to the principal (but
5 without thereby increasing the insurance liability
6 under this part),

7 (E) provides that the lender will not collect or
8 attempt to collect from the borrower any portion of
9 the interest on the note which is payable by the
10 Commissioner under this part,

11 (F) entitles the student borrower to accelerate
12 without penalty repayment of the whole or any
13 part of the loan, and

14 (G) contains such other terms and conditions,
15 consistent with the provisions of this part and with
16 the regulations issued by the Commissioner pur-
17 suant to this part, as may be agreed upon by the
18 parties to such loan, including, if agreed upon, a
19 provision requiring the borrower to pay to the
20 lender, in addition to principal and interest, amounts
21 equal to the insurance premiums payable by the
22 lender to the Commissioner with respect to such
23 loan.

24 (b) No maximum rate of interest prescribed and de-
25 fined by the Secretary for the purposes of clause (2)(C)

1 of subsection (a) may exceed 6 per centum per annum on
2 the unpaid principal balance of the loan, except that under
3 circumstances which threaten to impede the carrying out of
4 the purposes of this part, one or more of such maximum
5 rates of interest may be as high as 7 per centum per annum
6 on the unpaid principal balance of the loan.

7 (c) The total of the payments by a borrower during
8 any year of any repayment period with respect to the aggregate
9 amount of all loans to that borrower which are insured
10 under this part shall not be less than \$360 or the balance
11 of all of such loans (together with interest thereon), whichever
12 amount is less.

13 FEDERAL PAYMENTS TO REDUCE STUDENT INTEREST COSTS

14 SEC. 428. (a)(1) Each student who has received a
15 loan which is insured under this part or a loan, for study at
16 an eligible institution, which—

17 (A) is insured under a State program, or under
18 a program of a nonprofit private institution or
19 organization, (i) which, in the case of loans insured
20 prior to July 1, 1967, meets the requirements of
21 subparagraph (E) of subsection (b)(1) and provides
22 that repayment of such loans shall be in install-
23 ments beginning not earlier than 60 days after the
24 student ceases to pursue a course of study (as de-
25 scribed in subparagraph (D) of subsection (b)(1))

1 at an eligible institution, or (ii) which, in the case
2 of loans insured after June 30, 1967, is covered by
3 an agreement made pursuant to subsection (b), and
4 (B) was contracted for after the date of en-
5 actment of this Act and was paid to the student
6 either (i) prior to July 1, 1968, or (ii) prior to
7 July 1, 1972, in the case of a loan made (or a loan
8 installment paid pursuant to a line of credit) to
9 enable a student who has obtained a prior loan
10 insured under such program to continue or com-
11 plete his educational program,
12 and whose adjusted family income is less than \$15,000 at the
13 time of execution of the note or written agreement evidencing
14 such loan, shall be entitled to have paid on his behalf and for
15 his account to the holder of the loan, over the period of the
16 loan, a portion of the interest on the loan. For the purposes
17 of this paragraph, the adjusted family income of a student
18 shall be determined pursuant to regulations of the Commis-
19 sioner in effect at the time of the execution of the note or
20 written agreement evidencing the loan. Such regulations
21 shall provide for taking into account such factors, including
22 family size, as the Commissioner deems appropriate. In the
23 absence of fraud by the lender, such determination of the ad-
24 justed family income of a student shall be final so far as the

1 obligation of the Commissioner to pay a portion of the interest
2 on a loan is concerned.

3 (2) The portion of the interest on a loan which a stu-
4 dent is entitled to have paid on his behalf and for his account
5 to the holder of the loan pursuant to paragraph (1) shall be
6 equal to the total amount of the interest on the unpaid prin-
7 cipal amount of the loan which accrues prior to the beginning
8 of the repayment period of the loan, and 3 per centum per
9 annum of the unpaid principal amount of the loan (excluding
10 interest which has been added to principal) thereafter; but
11 such portion of the interest on a loan shall not exceed, for any
12 period, the amount of the interest on that loan which is pay-
13 able by the student after taking into consideration the amount
14 of any interest on that loan which the student is entitled to
15 have paid on his behalf for that period under any State or
16 private loan insurance program. The holder of an insured
17 loan shall be deemed to have a contractual right, as against
18 the United States, to receive from the Commissioner the por-
19 tion of interest which has been so determined. The Commis-
20 sioner shall pay this portion of the interest to the holder of
21 the insured loan on behalf of and for the account of the bor-
22 rower at such times as may be specified in regulations in
23 force when the applicable agreement entered into pursuant to
24 subsection (b) was made, or if the loan is insured under a

1 program which is not covered by such an agreement, at such
2 times as may be specified in regulations in force at the time
3 the loan was paid to the student.

4 (3) Each holder of a loan with respect to which pay-
5 ments of interest are required to be made by the Commis-
6 sioner shall submit to the Commissioner, at such time or
7 times and in such manner as he may prescribe, statements
8 containing such information as may be required by or pur-
9 suant to regulation for the purpose of enabling the Com-
10 missioner to determine the amount of the payment which he
11 must make with respect to that loan.

12 (b)(1) Any State or any nonprofit private institution
13 or organization may enter into an agreement with the Com-
14 missioner for the purpose of entitling students who receive
15 loans which are insured under a student loan insurance pro-
16 gram of that State, institution, or organization to have
17 made on their behalf payments equal to those provided for
18 in subsection (a) if the Commissioner determines that the
19 student loan insurance program—

20 (A) authorizes the insurance of not less than
21 \$1,000 nor more than \$1,500 in loans to any individual
22 student in any academic year or its equivalent (as de-
23 termined under regulations of the Commissioner);

24 (B) authorizes the insurance of loans to any in-
25 dividual student for at least six academic years of study

1 or their equivalent (as determined under regulations
2 of the Commissioner);

3 (C) provides that (i) the student borrower shall
4 be entitled to accelerate without penalty the whole or
5 any part of an insured loan, (ii) the period of any
6 insured loan may not exceed fifteen years from the date
7 of execution of the note or other written evidence of the
8 loan, and (iii) the note or other written evidence of
9 any loan may contain such provisions relating to repay-
10 ment in the event of default by the borrower as may be
11 authorized by regulations of the Commissioner in effect
12 at the time such note or written evidence was executed;

13 (D) subject to subparagraph (C), provides that,
14 where the total of the insured loans to any student which
15 are held by any one person exceeds \$2,000, repayment
16 of such loans shall be in installments over a period of not
17 less than five years nor more than ten years beginning
18 not earlier than nine months nor later than one year after
19 the student ceases to pursue a full-time course of study at
20 an eligible institution, except that if the program pro-
21 vides for the insurance of loans for part-time study at
22 eligible institutions the program shall provide that such
23 repayment period shall begin not earlier than nine months
24 nor later than one year after the student ceases to carry

1 *at an eligible institution at least one-half the normal full-*
2 *time academic workload as determined by the institution;*

3 *(E) authorizes interest on the unpaid balance of*
4 *the loan at a yearly rate not in excess of 6 per centum*
5 *per annum on the unpaid principal balance of the loan*
6 *(exclusive of any premium for insurance which may be*
7 *passed on to the borrower);*

8 *(F) insures not less than 90 per centum of the*
9 *unpaid principal of loans insured under the program;*

10 *(G) does not provide for collection of an excessive*
11 *insurance premium;*

12 *(H) provides that the benefits of the loan insur-*
13 *ance program will not be denied any student because*
14 *of his family income or lack of need if his adjusted*
15 *family income at the time the note or written agreement*
16 *is executed is less than \$15,000 (as determined pursuant*
17 *to the regulations of the Commissioner prescribed under*
18 *section 428(a)(1));*

19 *(I) provides that a student may obtain insurance*
20 *under the program for a loan for any year of study at*
21 *an eligible institution; and*

22 *(J) in the case of a State program, provides that*
23 *such State program is administered by a single State*
24 *agency, or by one or more nonprofit private institutions*

1 *or organizations under the supervision of a single State*
2 *agency.*

3 *(2) Such an agreement shall—*

4 *(A) provide that the holder of any such loan will*
5 *be required to submit to the Commissioner, at such time*
6 *or times and in such manner as he may prescribe, state-*
7 *ments containing such information as may be required*
8 *by or pursuant to regulation for the purpose of enabling*
9 *the Commissioner to determine the amount of the pay-*
10 *ment which he must make with respect to that loan;*

11 *(B) include such other provisions as may be neces-*
12 *sary to protect the financial interest of the United States*
13 *and promote the purposes of this part and as are agreed*
14 *to by the Commissioner and the State or the nonprofit*
15 *private institution or organization, as the case may be;*
16 *and*

17 *(C) provide for making such reports in such form*
18 *and containing such information as the Commissioner*
19 *may reasonably require to carry out his function under*
20 *this part and for keeping such records and for affording*
21 *such access thereto as the Commissioner may find neces-*
22 *sary to assure the correctness and verification of such*
23 *reports.*

1 *CERTIFICATES OF INSURANCE—EFFECTIVE DATE OF*
2 *INSURANCE*

3 *SEC. 429. (a)(1) If, upon application by an eligible*
4 *lender, made upon such form, containing such information,*
5 *and supported by such evidence as the Commissioner may*
6 *require, and otherwise in conformity with this section, the*
7 *Commissioner finds that the applicant has made a loan to*
8 *an eligible student which is insurable under the provisions of*
9 *this part, he may issue to the applicant a certificate of in-*
10 *surance covering the loan and setting forth the amount and*
11 *terms of the insurance.*

12 *(2) Insurance evidenced by a certificate of insurance*
13 *pursuant to subsection (a)(1) shall become effective upon*
14 *the date of issuance of the certificate, except that the Com-*
15 *missioner is authorized, in accordance with regulations, to*
16 *issue commitments with respect to proposed loans, or with*
17 *respect to lines (or proposed lines) of credit, submitted by*
18 *eligible lenders, and in that event, upon compliance with*
19 *subsection (a)(1) by the lender, the certificate of insurance*
20 *may be issued effective as of the date when any loan, or any*
21 *payment by the lender pursuant to a line of credit, to be*
22 *covered by such insurance was made. Such insurance shall*
23 *cease to be effective upon sixty days' default by the lender*
24 *in the payment of any installment of the premiums payable*
25 *pursuant to subsection (c).*

1 (3) An application submitted pursuant to subsection
2 (a)(1) shall contain (A) an agreement by the applicant
3 to pay, in accordance with regulations, the premiums fixed
4 by the Commissioner pursuant to subsection (c), and (B)
5 an agreement by the applicant that if the loan is covered by
6 insurance the applicant will submit such supplementary re-
7 ports and statements during the effective period of the loan
8 agreement, upon such forms, at such times, and containing
9 such information as the Commissioner may prescribe by or
10 pursuant to regulation.

11 (b)(1) In lieu of requiring a separate insurance appli-
12 cation and issuing a separate certificate of insurance for
13 each student loan made by an eligible lender as provided in
14 subsection (a), the Commissioner may, in accordance with
15 regulations consistent with section 424, issue to any eligible
16 lender applying therefor a certificate of comprehensive in-
17 surance coverage which shall, without further action by
18 the Commissioner, insure all insurable loans made by that
19 lender, on or after the date of the certificate and before a
20 specified cutoff date, within the limits of an aggregate maxi-
21 mum amount stated in the certificate. Such regulations
22 may provide for conditioning such insurance, with respect
23 to any loan, upon compliance by the lender with such re-
24 quirements (to be stated or incorporated by reference in the

1 certificate) as in the Commissioner's judgment will best
2 achieve the purpose of this subsection while protecting the
3 financial interest of the United States and promoting the
4 objectives of this part, including (but not limited to) pro-
5 visions as to the reporting of such loans and information
6 relevant thereto to the Commissioner and as to the payment
7 of initial and other premiums and the effect of default there-
8 in, and including provision for confirmation by the Com-
9 missioner from time to time (through endorsement of the
10 certificate) of the coverage of specific new loans by such
11 certificate, which confirmation shall be incontestable by the
12 Commissioner in the absence of fraud or misrepresentation
13 of fact or patent error.

14 (2) If the holder of a certificate of comprehensive in-
15 surance issued under this subsection grants to a student a
16 line of credit extending beyond the cutoff date specified in
17 that certificate, loans or payments thereon made by the
18 holder after that date pursuant to the line of credit shall
19 not be deemed to be included in the coverage of that
20 certificate except as may be specifically provided therein;
21 but, subject to the limitations of section 424, the Com-
22 missioner may, in accordance with regulations, make com-
23 mitments to insure such future loans or payments, and
24 such commitments may be honored either as provided in

1 subsection (a) or by inclusion of such insurance in com-
2 prehensive coverage under this subsection for the period
3 or periods in which such future loans or payments are
4 made.

5 (c) The Commissioner shall, pursuant to regulations,
6 charge for insurance on each loan under this part a pre-
7 mium in an amount not to exceed one-fourth of 1 per
8 centum per year of the unpaid principal amount of such
9 loan (excluding interest added to principal), payable in
10 advance, at such time and in such manner as may be pre-
11 scribed by the Commissioner. Such regulations may provide
12 that such premium shall not be payable, or if paid shall
13 be refundable, with respect to any period after default in
14 the payment of principal or interest or after the borrower
15 has died or become totally and permanently disabled, if
16 (1) notice of such default or other event has been duly
17 given, and (2) request for payment of the loss insured
18 against has been made or the Commissioner has made such
19 payment on his own motion pursuant to section 430(a).

20 (d) The rights of an eligible lender arising under
21 insurance evidenced by a certificate of insurance issued to
22 it under this section may be assigned as security by such
23 lender only to another eligible lender, and subject to regula-
24 tion by the Commissioner.

(e) The consolidation of the obligations of two or more insured loans obtained by a student borrower in any fiscal year into a single obligation evidenced by a single instrument of indebtedness shall not affect the insurance by the United States. If the loans thus consolidated are covered by separate certificates of insurance issued under subsection (a), the Commissioner may upon surrender of the original certificates issue a new certificate of insurance in accordance with that subsection upon the consolidated obligation; if they are covered by a single comprehensive certificate issued under subsection (b), the Commissioner may amend that certificate accordingly.

13 *PROCEDURE ON DEFAULT, DEATH, OR DISABILITY OF*

14 *STUDENT*

15 *SEC. 430. (a) Upon default by the student borrower*
16 *on any loan covered by insurance pursuant to this part, or*
17 *upon the death of the student borrower or a finding by*
18 *the insurance beneficiary that the borrower has become*
19 *totally and permanently disabled (as determined in accord-*
20 *ance with regulations established by the Commissioner)*
21 *before the loan has been repaid in full, and prior to the*
22 *commencement of suit or other enforcement proceeding*
23 *upon security for that loan, the insurance beneficiary shall*
24 *promptly notify the Commissioner, and the Commissioner*

1 shall if requested (at that time or after further collection
2 efforts) by the beneficiary, or may on his own motion, if the
3 insurance is still in effect, pay to the beneficiary the amount
4 of the loss sustained by the insured upon that loan as soon
5 as that amount has been determined. The "amount of the
6 loss" on any loan shall, for the purposes of this subsection
7 and subsection (b), be deemed to be an amount equal to
8 the unpaid balance of the principal amount of the loan.

9 (b) Upon payment by the Commissioner of the insured
10 portion of the loss pursuant to subsection (a), the United
11 States shall be subrogated to all of the rights of the holder of
12 the obligation upon the insured loan and shall be entitled to
13 an assignment of the note or other evidence of the insured
14 loan by the insurance beneficiary. If the net recovery made
15 by the Commissioner on a loan after deduction of the cost of
16 that recovery (including reasonable administrative costs)
17 exceeds the amount of the loss, the excess shall be paid over
18 to the insured.

19 (c) Nothing in this section or in this part shall be con-
20 strued to preclude any forbearance for the benefit of the stu-
21 dent borrower which may be agreed upon by the parties to
22 the insured loan and approved by the Commissioner, or to
23 preclude forbearance by the Commissioner in the enforce-
24 ment of the insured obligation after payment on that insur-

1 *ance, or to require collection of the amount of any loan by*
2 *the insurance beneficiary or by the Commissioner from the*
3 *estate of a deceased borrower or from a borrower found by*
4 *the insurance beneficiary to have become permanently and*
5 *totally disabled.*

6 *(d) Nothing in this section or in this part shall be con-*
7 *strued to excuse the holder of a loan from exercising reason-*
8 *able care and diligence in the making and collection of loans*
9 *under the provisions of this part. If the Commissioner, after*
10 *reasonable notice and opportunity for hearing to an eligible*
11 *lender, finds that it has substantially failed to exercise such*
12 *care and diligence or to make the reports and statements re-*
13 *quired under section 428(a)(3) and section 429(a)(3),*
14 *or to pay the required insurance premiums, he shall dis-*
15 *qualify that lender for further insurance on loans granted*
16 *pursuant to this part until he is satisfied that its failure has*
17 *ceased and finds that there is reasonable assurance that the*
18 *lender will in the future exercise necessary care and diligence*
19 *or comply with such requirements, as the case may be.*

20 *(e) As used in this section—*

21 *(1) the term “insurance beneficiary” means the*
22 *insured or its authorized assignee in accordance with*
23 *section 429(d); and*

24 *(2) the term “default” includes only such defaults*
25 *as have existed for (A) one hundred and twenty days*

in the case of a loan which is repayable in monthly installments, or (B) one hundred and eighty days in the case of a loan which is repayable in less frequent installments.

INSURANCE FUND

SEC. 431. (a) There is hereby established a student loan insurance fund (hereinafter in this section called the "fund") which shall be available without fiscal year limitation to the Commissioner for making payments in connection with the default of loans insured under this part. All amounts received by the Commissioner as premium charges for insurance and as receipts, earnings, or proceeds derived from any claim or other assets acquired by the Commissioner in connection with his operations under this part, and any other moneys, property, or assets derived by the Commissioner from his operations in connection with this section, shall be deposited in the fund. All payments in connection with the default of loans insured under this part shall be paid from the fund. Moneys in the fund not needed for current operations under this section may be invested in bonds or other obligations guaranteed as to principal and interest by the United States.

(b) If at any time the moneys in the fund are insufficient to make payments in connection with the default of any loan insured under this part, the Commissioner is authorized

1 to issue to the Secretary of the Treasury notes or other ob-
2 ligations in such forms and denominations, bearing such ma-
3 turities, and subject to such terms and conditions as may be
4 prescribed by the Commissioner with the approval of the
5 Secretary of the Treasury. Such notes or other obligations
6 shall bear interest at a rate determined by the Secretary of
7 the Treasury, taking into consideration the current average
8 market yield on outstanding marketable obligations of the
9 United States of comparable maturities during the month
10 preceding the issuance of the notes or other obligations.
11 The Secretary of the Treasury is authorized and directed to
12 purchase any notes and other obligations issued hereunder
13 and for that purpose he is authorized to use as a public debt
14 transaction the proceeds from the sale of any securities issued
15 under the Second Liberty Bond Act, as amended, and the
16 purposes for which securities may be issued under that Act,
17 as amended, are extended to include any purchases of such
18 notes and obligations. The Secretary of the Treasury may
19 at any time sell any of the notes or other obligations ac-
20 quired by him under this subsection. All redemptions, pur-
21 chases, and sales by the Secretary of the Treasury of such
22 notes or other obligations shall be treated as public debt
23 transactions of the United States. Sums borrowed under
24 this subsection shall be deposited in the fund and redemption

1 of such notes and obligations shall be made by the Commis-
2 sioner from such fund.

3 LEGAL POWERS AND RESPONSIBILITIES

4 SEC. 432. (a) In the performance of, and with respect
5 to, the functions, powers, and duties vested in him by this
6 part, the Commissioner may—

7 (1) prescribe such regulations as may be necessary
8 to carry out the purposes of this part;

9 (2) sue and be sued in any court of record of a
10 State having general jurisdiction or in any district court
11 of the United States, and such district courts shall have
12 jurisdiction of civil actions arising under this part with-
13 out regard to the amount in controversy, and any action
14 instituted under this subsection by or against the Com-
15 missioner shall survive notwithstanding any change in
16 the person occupying the office of Commissioner or any
17 vacancy in that office; but no attachment, injunction,
18 garnishment, or other similar process, mesne or final,
19 shall be issued against the Commissioner or property
20 under his control, and nothing herein shall be construed
21 to except litigation arising out of activities under this
22 part from the application of sections 507(b) and 2679
23 of title 28 of the United States Code and of section 367
24 of the Revised Statutes (5 U.S.C. 316);

1 (3) include in any contract for insurance such
2 terms, conditions, and covenants relating to repayment
3 of principal and payment of interest, relating to his ob-
4 ligations and rights and to those of eligible lenders, and
5 borrowers in case of default, and relating to such other
6 matters as the Commissioner determines to be necessary
7 to assure that the purposes of this part will be achieved;
8 and any term, condition, and covenant made pursuant
9 to this clause or any other provisions of this part may
10 be modified by the Commissioner if he determines that
11 modification is necessary to protect the financial interest
12 of the United States;

13 (4) subject to the specific limitations in this part,
14 consent to the modification, with respect to rate of inter-
15 est, time of payment of any installment of principal and
16 interest or any portion thereof, or any other provision
17 of any note or other instrument evidencing a loan which
18 has been insured under this part;

19 (5) enforce, pay, or compromise, any claim on, or
20 arising because of, any such insurance; and

21 (6) enforce, pay, compromise, waive, or release
22 any right, title, claim, lien, or demand, however ac-
23 quired, including any equity or any right or redemption.

24 (b) The Commissioner shall, with respect to the finan-
25 cial operations arising by reason of this part—

1 (1) *prepare annually and submit a budget program*
2 *as provided for wholly owned Government corporations*
3 *by the Government Corporation Control Act; and*

4 (2) *maintain with respect to insurance under this*
5 *part an integral set of accounts, which shall be audited*
6 *annually by the General Accounting Office in accordance*
7 *with principles and procedures applicable to commercial*
8 *corporate transactions, as provided by section 105 of the*
9 *Government Corporation Control Act, except that the*
10 *transactions of the Commissioner, including the settle-*
11 *ment of insurance claims and of claims for payments pur-*
12 *suant to section 428, and transactions related thereto and*
13 *vouchers approved by the Commissioner in connection*
14 *with such transactions, shall be final and conclusive upon*
15 *all accounting and other officers of the Government.*

16 ADVISORY COUNCIL ON INSURED LOANS TO STUDENTS

17 SEC. 433. (a) *The Secretary shall establish in the Office*
18 *of Education an Advisory Council on Insured Loans to*
19 *Students, consisting of the Commissioner, who shall be Chair-*
20 *man, and eight members appointed, without regard to the*
21 *civil service laws, by the Secretary. The membership of the*
22 *Council shall include persons representing State loan insur-*
23 *ance programs, private nonprofit loan insurance programs,*
24 *financial and credit institutions, and institutions of higher*
25 *education.*

1 (b) *The Advisory Council shall advise the Commissioner*
2 *in the preparation of general regulations and with respect*
3 *to policy matters arising in the administration of this part,*
4 *including policies and procedures governing the making of*
5 *advances under section 422 and the Federal payments to re-*
6 *duce student interest costs under section 428.*

7 (c) *Members of the Advisory Council, while serving on*
8 *the business of the Advisory Council away from their homes*
9 *or regular places of business, may be allowed travel expenses,*
10 *including per diem in lieu of subsistence, as authorized by*
11 *section 5 of the Administrative Expenses Act of 1946 (5*
12 *U.S.C. 73b-2), for persons in the Government service em-*
13 *ployed intermittently.*

14 *PARTICIPATION BY FEDERAL CREDIT UNIONS IN FEDERAL,*
15 *STATE, AND PRIVATE STUDENT LOAN INSURANCE*
16 *PROGRAMS*

17 *SEC. 434. Notwithstanding any other provision of law,*
18 *Federal credit unions shall, pursuant to regulations of the*
19 *Director of the Bureau of Federal Credit Unions, have power*
20 *to make insured loans up to 10 per centum of their assets, to*
21 *student members in accordance with the provisions of this*
22 *part or in accordance with the provisions of any State or*
23 *nonprofit private student loan insurance program which meets*
24 *the requirements of section 428(a)(1)(A).*

1 DEFINITIONS FOR REDUCED-INTEREST STUDENT LOAN
2 INSURANCE PROGRAM

3 *SEC. 435. As used in this part:*

4 *(a) The term "eligible institution" means an educa-*
5 *tional institution in any State which (1) admits as regular*
6 *students only persons having a certificate of graduation from*
7 *a school providing secondary education, or the recognized*
8 *equivalent of such certificate, (2) is legally authorized*
9 *within such State to provide a program of education beyond*
10 *secondary education, (3) provides an educational program*
11 *for which it awards a bachelor's degree or provides not*
12 *less than a two-year program which is acceptable for full*
13 *credit toward such a degree, (4) is a public or other non-*
14 *profit institution, and (5) is accredited by a nationally*
15 *recognized accrediting agency or association approved by*
16 *the Commissioner for this purpose or, if not so accredited,*
17 *(A) is an institution with respect to which the Commis-*
18 *sioner has determined that there is satisfactory assurance,*
19 *considering the resources available to the institution, the*
20 *period of time, if any, during which it has operated, the effort*
21 *it is making to meet accreditation standards, and the purpose*
22 *for which this determination is being made, that the institu-*
23 *tion will meet the accreditation standards of such an agency*
24 *or association within a reasonable time, or (B) is an institu-*

1 tion whose credits are accepted on transfer by not less than
2 three institutions which are so accredited, for credit on the
3 same basis as if transferred from an institution so accredited.
4 Such term also includes any public or other nonprofit col-
5 legiate or associate degree school of nursing and any school
6 which provides not less than a one-year program of training
7 to prepare students for gainful employment in a recognized
8 occupation and which meets the provisions of clauses (1),
9 (2), and (5). If the Commissioner determines that a
10 particular category of such schools does not meet the re-
11 quirements of clause (5) because there is no nationally
12 recognized accrediting agency or association qualified to
13 accredit schools in such category, he shall, pending the
14 establishment of such an accrediting agency or association,
15 appoint an advisory committee, composed of persons spe-
16 cially qualified to evaluate training provided by schools in
17 such category, which shall (i) prescribe the standards of
18 content, scope, and quality which must be met in order to
19 qualify schools in such category to participate in the pro-
20 gram pursuant to this part, and (ii) determine whether
21 particular schools not meeting the requirements of clause
22 (5) meet those standards. For purposes of this subsection,
23 the Commissioner shall publish a list of nationally recognized
24 accrediting agencies which he determines to be reliable au-
25 thority as to the quality of training offered.

1 (b) The term “collegiate school of nursing” means a
2 department, division, or other administrative unit in a college
3 or university which provides primarily or exclusively an ac-
4 credited program of education in professional nursing and
5 allied subjects leading to the degree of bachelor of arts,
6 bachelor of science, bachelor of nursing, or to an equivalent
7 degree, or to a graduate degree in nursing.

8 (c) The term “associate degree school of nursing”
9 means a department, division, or other administrative unit
10 in a junior college, community college, college, or university
11 which provides primarily or exclusively an accredited two-
12 year program of education in professional nursing and allied
13 subjects leading to an associate degree in nursing or to an
14 equivalent degree.

15 (d) The term “accredited” when applied to any pro-
16 gram of nurse education means a program accredited by a
17 recognized body or bodies approved for such purpose by the
18 Commissioner of Education.

19 (e) The term “eligible lender” means an eligible insti-
20 tution, an agency or instrumentality of a State, or a finan-
21 cial or credit institution (including an insurance company)
22 which is subject to examination and supervision by an agency
23 of the United States or of any State.

24 (f) The term “line of credit” means an arrangement
25 or agreement between the lender and the borrower whereby

1 *a loan is paid out by the lender to the borrower in annual*
 2 *installments, or whereby the lender agrees to make, in addi-*
 3 *tion to the initial loan, additional loans in subsequent years.*

4 *PART C—COLLEGE WORK-STUDY PROGRAM EXTENSION*
 5 *AND AMENDMENTS*

6 *TRANSFER OF AUTHORITY AND OTHER AMENDMENTS*

7 *SEC. 441. Parts C and D of title I of the Economic*
 8 *Opportunity Act of 1964 (Public Law 88-452) are*
 9 *amended as follows:*

10 *(1) By striking out “Director” in the first sentence*
 11 *of section 122(a) and inserting in lieu thereof “Com-*
 12 *missioner of Education (hereinafter in this part referred*
 13 *to as the ‘Commissioner’),” and by striking out “Direc-*
 14 *tor” wherever that word appears in the other provisions*
 15 *of such part C and inserting in lieu thereof “Commis-*
 16 *sioner”;*

17 *(2) By amending that part of section 121 that*
 18 *follows the section designation to read as follows: “The*
 19 *purpose of this part is to stimulate and promote the*
 20 *part-time employment of students, particularly students*
 21 *from low-income families, in institutions of higher educa-*
 22 *tion who are in need of the earnings from such employ-*
 23 *ment to pursue courses of study at such institution.”;*

24 *(3) By striking out section 123 and inserting in*
 25 *lieu thereof the following:*

1 “GRANTS FOR WORK-STUDY PROGRAMS

2 “SEC. 123. (a) *The Commissioner is authorized to*
3 *enter into agreements with institutions of higher education*
4 *under which the Commissioner will make grants to such*
5 *institutions to assist in the operation of work-study programs*
6 *as hereinafter provided.*

7 “(b) *For the purposes of this part—*

8 “(1) *The term ‘institution of higher education’ means*
9 *an educational institution in any State which (A) ad-*
10 *mits as regular students only persons having a certificate of*
11 *graduation from a school providing secondary education,*
12 *or the recognized equivalent of such certificate, (B) is*
13 *legally authorized within such State to provide a program of*
14 *education beyond secondary education, (C) provides an*
15 *educational program for which it awards a bachelor’s degree*
16 *or provides not less than a two-year program which is*
17 *acceptable for full credit toward such a degree, (D) is a*
18 *public or other nonprofit institution, and (E) is accredited*
19 *by a nationally recognized accrediting agency or association*
20 *approved by the Commissioner for this purpose or, if not*
21 *so accredited, (i) is an institution with respect to which*
22 *the Commissioner has determined that there is satisfactory*
23 *assurance, considering the resources available to the insti-*
24 *tution, the period of time, if any, during which it has op-*

1 erated, the effort it is making to meet accreditation standards,
2 and the purpose for which this determination is being made,
3 that the institution will meet the accreditation standards
4 of such an agency or association within a reasonable time, or
5 (ii) is an institution whose credits are accepted on transfer
6 by not less than three institutions which are so accredited,
7 for credit on the same basis as if transferred from an institu-
8 tion so accredited. Such term also includes any public or
9 other nonprofit collegiate or associate degree school of nurs-
10 ing and any school which provides not less than a one-year
11 program of training to prepare students for gainful employ-
12 ment in a recognized occupation and which meets the
13 provisions of clauses (A), (B), (D), and (E). If the
14 Commissioner determines that a particular category of such
15 schools does not meet the requirements of clause (E) be-
16 cause there is no nationally recognized accrediting agency
17 or association qualified to accredit schools in such category,
18 he shall, pending the establishment of such an accrediting
19 agency or association, appoint an advisory committee,
20 composed of persons specially qualified to evaluate training
21 provided by schools in such category, which shall (I) pre-
22 scribe the standards of content, scope, and quality which
23 must be met in order to qualify schools in such category to
24 participate in the program pursuant to this part, and (II)

1 *determine whether particular schools not meeting the re-*
2 *quirements of clause (E) meet those standards. For pur-*
3 *poses of this subsection, the Commissioner shall publish a list*
4 *of nationally recognized accrediting agencies which he de-*
5 *termines to be reliable authority as to the quality of training*
6 *offered.*

7 “(2) The term ‘collegiate school of nursing’ means a
8 department, division, or other administrative unit in a college
9 or university which provides primarily or exclusively an
10 accredited program of education in professional nursing and
11 allied subjects leading to the degree of bachelor of arts,
12 bachelor of science, bachelor of nursing, or to an equivalent
13 degree, or to a graduate degree in nursing.

14 “(3) The term ‘associate degree school of nursing’
15 means a department, division, or other administrative unit
16 in a junior college, community college, college, or university
17 which provides primarily or exclusively an accredited two-
18 year program of education in professional nursing and allied
19 subjects leading to an associate degree in nursing or to an
20 equivalent degree.

21 “(4) The term ‘accredited’ when applied to any pro-
22 gram of nurse education means a program accredited by a
23 recognized body or bodies approved for such purpose by the
24 Commissioner.”;

1 (4) *By striking out section 124(a) and inserting*
2 *in lieu thereof the following:*

3 “(a) *provide for the operation by the institution of a*
4 *program for the part-time employment of its students in*
5 *work for the institution itself or work in the public interest*
6 *for a public or private nonprofit organization under an*
7 *arrangement between the institution and such organization,*
8 *and such work—*

9 “(1) *would not otherwise be performed by non-*
10 *students,*

11 “(2) *will not result in the displacement of em-*
12 *ployed workers or impair existing contracts and services,*
13 *and*

14 “(3) *will be governed by such conditions of em-*
15 *ployment as will be appropriate and reasonable in light*
16 *of such factors as type of work performed, geographical*
17 *region, and proficiency of the employee: Provided, That*
18 *no such work shall involve the construction, operation,*
19 *or maintenance of so much of any facility used or to*
20 *be used for sectarian instruction or as a place for reli-*
21 *gious worship;”;*

22 (5) *By redesignating clauses (2), (3), and*
23 *(4), of paragraph (c) of section 124 as clauses (1),*
24 *(2), and (3), and by striking out so much of such*
25 *paragraph as precedes such redesignated clauses and in-*

serting in lieu thereof the following: “(c) provide that in the selection of students for employment under such work-study program preference shall be given to students from low-income families and that employment under such work-study program shall be furnished only to a student who”;

(6) By inserting before the period at the end of section 125 a comma and the following: “and such share may be paid to such student in the form of services and equipment (including tuition, room, board, and books) furnished by such institution”; and

(7) By striking out “provided for in” in section 131 and inserting in lieu thereof “for which he is responsible under”.

APPROPRIATIONS AUTHORIZED

SEC. 442. There are authorized to be appropriated \$129,000,000 for the fiscal year ending June 30, 1966, \$165,000,000 for the fiscal year ending June 30, 1967, \$200,000,000 for the fiscal year ending June 30, 1968, and \$235,000,000 for the fiscal year ending June 30, 1969, and for the succeeding fiscal year, to carry out the purposes of part C of title I of the Economic Opportunity Act of 1964 (Public Law 88-452). Any sums which are appropriated for the fiscal year ending June 30, 1966, for the purpose of such part C pursuant to an authorization in

1 *the Economic Opportunity Act of 1964, or are allocated for*
 2 *such purpose from any appropriation for such year, shall*
 3 *be made available, to the extent unexpended on the date of*
 4 *enactment of this Act, to the Commissioner for carrying out*
 5 *such part C, and the total of such sums (including amounts*
 6 *expended prior to such date) shall be deducted from the*
 7 *authorization in this section for such year. Sixty million*
 8 *dollars of the authorization for title I of the Economic Op-*
 9 *portunity Act of 1964 for the fiscal year ending June 30,*
 10 *1966, as contained in section 131 of such Act, shall be only*
 11 *for the purpose of part C of such title. No provision in the*
 12 *Economic Opportunity Act of 1964 which authorizes the*
 13 *appropriation of funds to carry out that Act shall apply to*
 14 *such part C after June 30, 1966.*

15 *PART D—AMENDMENTS TO NATIONAL DEFENSE*

16 *EDUCATION ACT OF 1958*

17 *DEFINITION OF INSTITUTION OF HIGHER EDUCATION*

18 *SEC. 461. Section 103(b) of the National Defense*
 19 *Education Act of 1958 is amended to read as follows:*

20 *“(b) The term ‘institution of higher education’ means*
 21 *an educational institution in any State which (1) admits as*
 22 *regular students only persons having a certificate of gradua-*
 23 *tion from a school providing secondary education, or the*
 24 *recognized equivalent of such certificate, (2) is legally au-*
 25 *thorized within such State to provide a program of educa-*

1 *tion beyond secondary education, (3) provides an educa-*
2 *tional program for which it awards a bachelor's degree or*
3 *provides not less than a two-year program which is accept-*
4 *able for full credit toward such a degree, (4) is a public or*
5 *other nonprofit institution, and (5) is accredited by a*
6 *nationally recognized accrediting agency or association ap-*
7 *proved by the Commissioner for this purpose or, if not so*
8 *accredited, (A) is an institution with respect to which the*
9 *Commissioner has determined that there is satisfactory assur-*
10 *ance, considering the resources available to the institution,*
11 *the period of time, if any, during which it has operated, the*
12 *effort it is making to meet accreditation standards, and the*
13 *purpose for which this determination is being made, that the*
14 *institution will meet the accreditation standards of such an*
15 *agency or association within a reasonable time, or (B) is an*
16 *institution whose credits are accepted on transfer by not less*
17 *than three institutions which are so accredited, for credit*
18 *on the same basis as if transferred from an institution so*
19 *accredited. For purposes of title II, such term includes any*
20 *school of nursing as defined in subsection (l) of this section,*
21 *and also includes any school which provides not less than*
22 *a one-year program of training to prepare students for gain-*
23 *ful employment in a recognized occupation and which meets*
24 *the provisions of clauses (1), (2), (4), and (5). If the*
25 *Commissioner determines that a particular category of such*

1 schools does not meet the requirements of clause (5) be-
2 cause there is no nationally recognized accrediting agency
3 or association qualified to accredit schools in such category,
4 he shall, pending the establishment of such an accrediting
5 agency or association, appoint an advisory committee, com-
6 posed of persons specially qualified to evaluate training
7 provided by schools in such category, which shall (i) pre-
8 scribe the standards of content, scope, and quality which
9 must be met in order to qualify schools in such category to
10 participate in the student loan program under title II, and
11 (ii) determine whether particular schools not meeting the
12 requirements of clause (5) meet those standards. For pur-
13 poses of this subsection, the Commissioner shall publish a
14 list of nationally recognized accrediting agencies or associ-
15 ations which he determines to be reliable authority as to the
16 quality of training offered.”

17 *CONDITIONS OF AGREEMENTS; ADMINISTRATIVE COSTS*

18 *SEC. 462. Clause (3) of section 204 of the National*
19 *Defense Education Act of 1958 is amended to read as*
20 *follows:*

21 “(3) provide that such student loan fund shall be
22 used only for (A) loans to students in accordance with
23 such agreement, (B) capital distributions as provided in
24 this title, (C) routine expenses incurred by the institu-
25 tion in administering the student loan fund, except that

1 the amount used for these expenses by an institution in
2 any fiscal year may not exceed either (i) one-half of
3 such expenses as estimated for that year by the Commis-
4 sioner with the advice of an advisory committee which
5 the Commissioner is hereby authorized to appoint on an
6 annual or such other basis as he may deem appropriate,
7 or (ii) 1 per centum of the aggregate of the outstanding
8 loans made from that fund as of the close of that year,
9 whichever is the lesser, and (D) costs of litigation, and
10 other collection costs agreed to by the Commissioner,
11 arising in connection with the collection of any loan
12 from the fund, interest on such loan, or charge assessed
13 with respect to that loan pursuant to section 205(c);”.

14 TECHNICAL AMENDMENT FOR PART-TIME STUDENTS

15 SEC. 463. (a) The portion of section 205(b)(2) of the
16 National Defense Education Act of 1958 which precedes
17 clause (A)(ii) thereof is amended to read as follows:

18 “(2) such a loan shall be evidenced by a note or
19 other written agreement which provides for repayment of
20 the principal amount, together with interest thereon, in
21 equal (or, if the borrower so requests, in graduated
22 periodic installments determined in accordance with such
23 schedules as may be approved by the Commissioner)
24 quarterly, bimonthly, or monthly installments (at the
25 option of the institution) over a period beginning nine

1 months after the date on which the borrower ceases to
2 carry, at an institution of higher education or at a com-
3 parable institution outside the States approved for this
4 purpose by the Commissioner, at least one-half the nor-
5 mal full-time academic workload as determined by that
6 institution, and ending ten years and nine months after
7 such date, except that (A) interest shall not accrue on
8 any such loan, and installments need not be paid during
9 any period (i) during which the borrower is carrying,
10 at an institution of higher education or at a comparable
11 institution outside the States approved for this purpose
12 by the Commissioner, at least one-half the normal full-
13 time academic workload as determined by the institu-
14 tion,”.

15 (b) Clause (D) of such section 205(b)(2) is amended
16 by striking out “periodic”, and by striking out “part-time”
17 and inserting in lieu thereof “less than half-time”.

18 (c) The amendments made by this section shall apply
19 to a loan outstanding on the date of enactment of this Act
20 only with the consent of the borrower and the institution which
21 made the loan.

22 MINIMUM RATE OF REPAYMENT

23 SEC. 464. (a) Section 205(b)(2) of the National De-
24 fense Education Act of 1958 is further amended by striking
25 out “and” before “(E)” and by inserting at the end thereof

1 before the semicolon “, and (F) the institution may provide,
 2 in accordance with regulations of the Commissioner, that
 3 during the repayment period of the loan payments of prin-
 4 cipal and interest by the borrower with respect to all the out-
 5 standing loans made to him from loan funds established pur-
 6 suant to this title shall be at a rate equal to not less than \$15
 7 per month”.

8 (b) The amendment made by this section shall be appli-
 9 cable only with respect to loans made after the date of enact-
 10 ment of this Act.

11 CANCELLATION OF LOANS FOR TEACHERS

12 SEC. 465. (a) Section 205(b)(3) of the National De-
 13 fense Education Act of 1958 is amended—

14 (1) by inserting “total” before “amount” and by
 15 striking out “, which was unpaid on the first day of such
 16 service”;

17 (2) by inserting “or its equivalent (as determined
 18 under regulations of the Commissioner)” after “aca-
 19 demic year”; and

20 (3) by inserting before the semicolon at the end
 21 thereof a comma and the following: “except that (A)
 22 such rate shall be 15 per centum for each complete
 23 academic year or its equivalent (as determined under
 24 regulations of the Commissioner) of service as a full-time

1 *teacher in a public or other nonprofit elementary or*
2 *secondary school which is in the school district of a local*
3 *educational agency which is eligible in such year for as-*
4 *sistance pursuant to title II of Public Law 874, Eighty-*
5 *first Congress, as amended, and which for purposes of*
6 *this clause and for that year has been determined by the*
7 *Commissioner, pursuant to regulations and after con-*
8 *sultation with the State educational agency of the State in*
9 *which the school is located, to be a school in which there is*
10 *a high concentration of students from low-income fam-*
11 *ilies, except that the Commissioner shall not make such*
12 *determination with respect to more than 25 per centum of*
13 *the total of the public and other nonprofit elementary and*
14 *secondary schools in any one State for any one year,*
15 *and (B) for the purposes of any cancellation pursuant*
16 *to clause (A), an additional 50 per centum of any such*
17 *loan (plus interest) may be cancelled”.*

18 *(b) The amendments made by clauses (1) and (3) of*
19 *subsection (a) shall apply with respect to service performed*
20 *during academic years beginning after the date of enactment*
21 *of this Act, whether the loan was made before or after such*
22 *enactment. The amendment made by clause (2) of subsection*
23 *(a) shall apply with respect to service performed during*
24 *academic years beginning after the enactment of the National*
25 *Defense Education Act Amendments, 1964, Public Law*

1 88-665, whether or not the loan was made before or after
2 such enactment.

3 CHARGES

4 SEC. 466. (a) Section 205 of the National Defense
5 Education Act of 1958 is further amended by redesignating
6 subsection (c) as subsection (d) and by inserting after sub-
7 section (b) the following new subsection:

8 “(c) Pursuant to regulations of the Commissioner, an
9 institution may assess a charge with respect to a loan from the
10 loan fund established by the institution pursuant to this title
11 for failure of the borrower to pay all or any part of an in-
12 stallment when it is due and, in the case of a borrower who is
13 entitled to deferment benefits under section 205(b)(2) or
14 cancellation benefits under section 205(b)(3), for any failure
15 to file timely and satisfactory evidence of such entitlement.
16 The amount of any such charge may not exceed—

17 “(1) in the case of a loan which is repayable in
18 monthly installments, \$1 for the first month or part of a
19 month by which such installment or evidence is late
20 and \$2 for each such month or part of a month there-
21 after; and

22 “(2) in the case of a loan which has a bimonthly
23 or quarterly repayment interval, \$3 and \$6, respec-
24 tively, for each such interval or part thereof by which
25 such installment or evidence is late.

1 *The institution may elect to add the amount of any such*
 2 *charge to the principal amount of the loan as of the first day*
 3 *after the day on which such installment or evidence was due,*
 4 *or to make the amount of the charge payable to the institu-*
 5 *tion not later than the due date of the next installment after*
 6 *receipt by the borrower of notice of the assessment of the*
 7 *charge.”*

8 *(b) Clause (2) of section 204 of such Act is amended*
 9 *by striking out “and (D)” and inserting in lieu thereof “(D)*
 10 *charges collected pursuant to section 205(c), and (E)”.*

11 *(c) The amendment made by subsection (a) shall be ap-*
 12 *plicable only with respect to loans made after the date of*
 13 *enactment of this Act.*

14 *ECONOMICS, CIVICS, AND INDUSTRIAL ARTS*

15 *SEC. 467. (a) (1) Clauses (1) and (5) of section 303*
 16 *(a) of the National Defense Education Act of 1958 are*
 17 *each amended by inserting “economics,” after “geography,”.*

18 *(2) Section 301 of such Act is amended by striking out*
 19 *“and \$90,000,000 for the fiscal year ending June 30, 1965,*
 20 *and for each of the three succeeding fiscal years” and insert-*
 21 *ing in lieu thereof “\$90,000,000 for the fiscal year ending*
 22 *June 30, 1965 and \$100,000,000 for the fiscal year ending*
 23 *June 30, 1966, and for each of the two succeeding fiscal*
 24 *years”.*

25 *(b) Section 1101 of such Act is amended—*

(1) by striking out "each of the three succeeding fiscal years" and inserting in lieu thereof "\$50,000,000 for the fiscal year ending June 30, 1966, and for each of the two succeeding fiscal years"; and

(2) by inserting "economics, civics, industrial arts," after "geography,".

TITLE V—TEACHER PROGRAMS

PART A—GENERAL PROVISIONS

ADVISORY COUNCIL ON TEACHER PREPARATION

SEC. 501. (a) The Commissioner shall establish in the Office of Education an Advisory Council on Teacher Preparation for the purpose of reviewing the administration and operation of the programs carried out under this title and of all other Federal programs for complementary purposes. This review shall pay particular attention to the effectiveness of these programs in attracting, preparing, and retaining highly qualified elementary and secondary school teachers, and it shall include recommendations for the improvement of these programs. The Council shall consist of the Commissioner, who shall be Chairman, and twelve members appointed for staggered terms and without regard to the civil service laws, by the Commissioner with the approval of the Secretary. Such twelve members shall include persons knowledgeable with respect to teacher preparation

1 *and the needs of urban and rural schools, and representatives*
 2 *of the general public.*

3 **(b)** *Members of such Advisory Council who are not*
 4 *regular full-time employees of the United States shall, while*
 5 *attending meetings or conferences of such Council or other-*
 6 *wise engaged on business of such Council, be entitled to re-*
 7 *ceive compensation at a rate fixed by the Secretary, but not*
 8 *exceeding \$100 per diem, including traveltime, and, while*
 9 *so serving away from their homes or regular places of busi-*
 10 *ness, they may be allowed travel expenses, including per*
 11 *diem in lieu of subsistence, as authorized by section 5 of the*
 12 *Administrative Expenses Act of 1946 (5 U.S.C. 73b-2) for*
 13 *persons in the Government service employed intermittently.*
 14 **(c)** *The Council may appoint an Executive Secretary*
 15 *and such other employees as the Council deems necessary*
 16 *to carry out its functions under this part.*

17 **LIMITATION**

18 **SEC. 502.** *Nothing contained in this title shall be con-*
 19 *strued to authorize the making of any payment under this*
 20 *title for religious worship or instruction.*

21 **PART B—NATIONAL TEACHER CORPS**

22 **STATEMENT OF PURPOSE AND AUTHORIZATION OF**

23 **APPROPRIATIONS**

24 **SEC. 511. (a)** *The purpose of this part is to strengthen*
 25 *the educational opportunities available to children in areas*

1 *having concentrations of low-income families and to encour-*
2 *age colleges and universities to broaden their programs of*
3 *teacher preparation by—*

4 (1) *attracting and training qualified teachers who*
5 *will be made available to local educational agencies for*
6 *teaching in such areas; and*

7 (2) *attracting and training inexperienced teacher-*
8 *interns who will be made available for teaching and*
9 *inservice training to local educational agencies in such*
10 *areas in teams led by an experienced teacher.*

11 (b) *For the purpose of carrying out this part, there*
12 *are authorized to be appropriated \$36,100,000 for the fiscal*
13 *year ending June 30, 1966, and \$64,715,000 for the fiscal*
14 *year ending June 30, 1967, and for each of the four suc-*
15 *ceeding fiscal years.*

16 ESTABLISHMENT OF NATIONAL TEACHER CORPS

17 SEC. 512. *In order to carry out the purposes of this*
18 *part, there is hereby established in the Office of Education*
19 *a National Teacher Corps (hereinafter referred to as the*
20 *“Teacher Corps”). The Teacher Corps shall be headed*
21 *by a Director who shall be compensated at the rate pre-*
22 *scribed for grade 17 of the General Schedule of the Clas-*
23 *sification Act of 1949, and a Deputy Director who shall be*
24 *compensated at the rate prescribed for grade 16 of such*

1 *General Schedule. The Director and the Deputy Director*
2 *shall perform such duties as are delegated to them by the*
3 *Commissioner.*

4 *TEACHER CORPS PROGRAM*

5 *SEC. 513. (a) For the purpose of carrying out this*
6 *part, the Commissioner is authorized to—*

7 *(1) recruit, select, and enroll experienced teachers,*
8 *and inexperienced teacher-interns who have a bachelor's*
9 *degree or its equivalent, in the Teacher Corps for periods*
10 *of up to two years;*

11 *(2) enter into arrangements, through grants or*
12 *contracts, with institutions of higher education or State*
13 *or local educational agencies to provide members of the*
14 *Teacher Corps with such training as the Commissioner*
15 *may deem appropriate to carry out the purposes of this*
16 *part, including not more than three months of training*
17 *for members before they undertake their teaching duties*
18 *under this part;*

19 *(3) enter into arrangements (including the pay-*
20 *ment of the cost of such arrangements) with local educa-*
21 *tional agencies, after consultation in appropriate cases*
22 *with State educational agencies and institutions of*
23 *higher education, to furnish to local educational agencies,*
24 *for service during regular or summer sessions, or both,*
25 *in the schools of such agencies in areas having concen-*

1 trations of children from low-income families, (A) ex-
2 perienced teachers, and (B) teaching teams, each of
3 which shall consist of an experienced teacher and a num-
4 ber of teacher-interns who, in addition to teaching duties,
5 shall be afforded time by the local educational agency
6 for a teacher-intern training program developed accord-
7 ing to criteria established by the Commissioner and car-
8 ried out under the guidance of the experienced teacher in
9 cooperation with an institution of higher education;

10 (4) pay to local educational agencies the amount
11 of the compensation which such agencies pay to or on
12 behalf of members of the Teacher Corps assigned to
13 them pursuant to arrangements made pursuant to the
14 preceding clause; and

15 (5) employ experts and consultants or organiza-
16 tions thereof to assist the Commissioner in carrying out
17 his functions under this part, as authorized by section 15
18 of the Administrative Expenses Act of 1946 (5 U.S.C.
19 55a), and to compensate such individuals while so em-
20 ployed at rates not in excess of \$100 per diem, including
21 traveltime, and to allow them, while away from their
22 homes or regular places of business, travel expenses (in-
23 cluding per diem in lieu of subsistence) as authorized
24 by section 5 of such Act (5 U.S.C. 73b-2) for persons
25 in the Government service employed intermittently.

1 (b) Arrangements with institutions of higher educa-
2 tion to provide training for teacher-interns while teaching in
3 schools for local educational agencies under the provisions of
4 this part shall provide, wherever possible, for training lead-
5 ing to a graduate degree.

6 (c) Whenever the Commissioner determines that the
7 demand for the services of experienced teachers or of teach-
8 ing teams furnished pursuant to clause (3) of subsection
9 (a) exceeds the number of experienced teachers or teaching
10 teams available from the Teacher Corps, the Commissioner
11 shall, to the extent practicable, allocate experienced teachers
12 or teaching teams, as the case may be from the Teacher
13 Corps among the States in proportion to the number of
14 children in each State counted for making basic grants under
15 title II of Public Law 874, Eighty-first Congress, as
16 amended, for the fiscal year for which the allocation is made.

17 (d) A local educational agency may utilize members
18 of the Teacher Corps assigned to it in providing, in the man-
19 ner described in section 205(a)(2) of Public Law 874,
20 Eighty-first Congress, as amended, educational services in
21 which children enrolled in private elementary and secondary
22 schools can participate.

23

COMPENSATION

24 SEC. 514. (a) An arrangement made with a local
25 educational agency pursuant to paragraph (3) of section

1 513(a) shall provide for compensation by such agency of
2 Teacher Corps members during the period of their assign-
3 ment to it at the following rates:

4 (1) an experienced teacher who is not leading a
5 teaching team shall be compensated at a rate which
6 is equal to the rate paid by such agency for a teacher
7 with similar training and experience who has been
8 assigned similar teaching duties;

9 (2) an experienced teacher who is leading a teach-
10 ing team shall be compensated at a rate agreed to by
11 such agency and the Commissioner; and

12 (3) a teacher-intern shall be compensated at a
13 rate which is equal to the lowest rate paid by such
14 agency for teaching full time in the school system and
15 grade to which the intern is assigned.

16 (b) For any period of training under this part the
17 Commissioner shall pay to members of the Teacher Corps
18 such stipends (including allowances for subsistence and
19 other expenses for such members and their dependents) as
20 he may determine to be consistent with prevailing practices
21 under comparable federally supported training programs.

22 (c) The Commissioner shall pay the necessary travel
23 expenses of members of the Teacher Corps and their depend-
24 ents and necessary expenses for the transportation of the
25 household goods and personal effects of such members and

1 *their dependents, and such other necessary expenses of mem-*
2 *bers as are directly related to their service in the Corps,*
3 *including readjustment allowances proportionate to service.*

4 (d) *The Commissioner is authorized to make such*
5 *arrangements as may be possible, including the payment of*
6 *any costs incident thereto, to protect the tenure, retirement*
7 *rights, participation in a medical insurance program, and*
8 *such other similar employee benefits as the Commissioner*
9 *deems appropriate, of a member of the Teacher Corps who*
10 *participates in any program under this part and who in-*
11 *dicates his intention to return to the local educational agency*
12 *or institution of higher education by which he was employed*
13 *immediately prior to his service under this part.*

14 APPLICATION OF PROVISIONS OF FEDERAL LAW

15 SEC. 515. (a) *Except as otherwise specifically pro-*
16 *vided in this section, a member of the Teacher Corps shall be*
17 *deemed not to be a Federal employee and shall not be subject*
18 *to the provisions of laws relating to Federal employment, in-*
19 *cluding those relating to hours of work, rates of compensa-*
20 *tion, leave, unemployment compensation, and Federal em-*
21 *ployee benefits.*

22 (b)(1) *Such members shall, for the purposes of the*
23 *administration of the Federal Employees' Compensation*
24 *Act (5 U.S.C. 751 et seq.), be deemed to be civil employees*
25 *of the United States within the meaning of the term "em-*

1 *ployee” as defined in section 40 of such Act (5 U.S.C. 790)*
2 *and the provisions thereof shall apply except as hereinafter*
3 *provided.*

4 *(2) For purposes of this subsection:*

5 *(A) the term “performance of duty” in the Federal*
6 *Employees’ Compensation Act shall not include any act*
7 *of a member of the Teacher Corps—*

8 *(i) while on authorized leave; or*

9 *(ii) while absent from his assigned post of*
10 *duty, except while participating in an activity au-*
11 *thorized by or under the direction or supervision of*
12 *the Commissioner; and*

13 *(B) in computing compensation benefits for dis-*
14 *ability or death under the Federal Employees’ Compens-*
15 *ation Act, the monthly pay of a member of the Teacher*
16 *Corps shall be deemed to be his actual pay or that*
17 *received under the entrance salary for grade 6 of the*
18 *General Schedule of the Classification Act of 1949,*
19 *whichever is greater.*

20 *(c) Such members shall be deemed to be employees of*
21 *the Government for the purposes of the Federal tort claims*
22 *provisions of title 28, United States Code.*

23 *LOCAL CONTROL PRESERVED*

24 *SEC. 516. Members of the Teacher Corps shall be under*
25 *the direct supervision of the appropriate officials of the local*

1 educational agencies to which they are assigned. Except as
 2 otherwise provided in clause (3) of section 513(a), such
 3 agencies shall retain the authority to—

- 4 (1) assign such members within their systems;
- 5 (2) make transfers within their systems;
- 6 (3) determine the subject matter to be taught;
- 7 (4) determine the terms and continuance of the
- 8 assignment of such members within their systems.

9 MAINTENANCE OF EFFORT

10 SEC. 517. No member of the Teacher Corps shall be
 11 furnished to any local educational agency under the pro-
 12 visions of this part if such agency will use such member
 13 to replace any teacher who is or would otherwise be em-
 14 ployed by such agency.

15 PART C—FELLOWSHIPS FOR TEACHERS

16 STATEMENT OF PURPOSE

17 SEC. 521. It is the purpose of this part to provide op-
 18 portunities for advanced training, giving major emphasis to
 19 preparation in high quality substantive courses, to teachers in
 20 elementary, secondary, and postsecondary vocational schools
 21 and personnel serving in fields ancillary to teaching in such
 22 schools.

23 FELLOWSHIPS AUTHORIZED

24 SEC. 522. (a) The Commissioner is authorized to
 25 award under the provisions of this part not to exceed four

1 thousand five hundred fellowships for the fiscal year ending
2 June 30, 1966, ten thousand fellowships for the fiscal year
3 ending June 30, 1967, and fifteen thousand fellowships for
4 the fiscal year ending June 30, 1968, and for each of the
5 two succeeding fiscal years. Fellowships awarded under
6 the provisions of this part shall be for graduate study (lead-
7 ing to a masters or equivalent degree in the field of educa-
8 tion) for the purpose of teaching in elementary, secondary,
9 or postsecondary vocational schools, or for graduate study
10 (leading to a similar degree) in the subject matter which
11 the person awarded such fellowship is or will be teaching in
12 such schools. Such fellowships may also be awarded in fields
13 ancillary to elementary, secondary, and postsecondary voca-
14 tional education such as library science, educational media,
15 school social work, guidance and counseling, special educa-
16 tion for handicapped children, vocational education and other
17 fields having the purpose of assisting or improving elemen-
18 tary or secondary, or postsecondary vocational education.
19 Such fellowships shall be awarded for such periods as the
20 Commissioner may determine but not to exceed two academic
21 years.

22 (b) In addition to the number of fellowships author-
23 ized to be awarded by subsection (a) of this section, the
24 Commissioner is authorized to award fellowships equal to the
25 number previously awarded during any fiscal year under

1 *this part but vacated prior to the end of the period for which*
 2 *they were awarded; except that each fellowship awarded*
 3 *under this subsection shall be for such period of study, not*
 4 *in excess of the remainder of the period for which the fellow-*
 5 *ship which it replaces was awarded, as the Commissioner*
 6 *may determine.*

7 *FELLOWSHIPS FOR RECENT GRADUATES*

8 *SEC. 523. Forty per centum of the number of fellowships*
 9 *under the provisions of this part for any fiscal year shall*
 10 *be awarded by the Commissioner to persons recommended to*
 11 *the Commissioner for such fellowships by institutions of*
 12 *higher education. An institution of higher education may*
 13 *for the purposes of this section recommend any individual*
 14 *who has received a bachelor's degree with high standing*
 15 *from such institution, except that such recommendation shall*
 16 *be made not later than six months after the awarding of such*
 17 *degree.*

18 *FELLOWSHIPS FOR EXPERIENCED TEACHERS*

19 *SEC. 524. The remaining 60 per centum of the number*
 20 *of fellowships awarded under the provisions of this part for*
 21 *any fiscal year shall be awarded by the Commissioner to*
 22 *persons with at least five academic years of professional*
 23 *experience serving in an elementary, secondary, or postsec-*
 24 *ondary vocational school, who are recommended to the Com-*

1 *missioner for such a fellowship by a local educational agency*
2 *or a private school authority. Such an agency or authority*
3 *may, for the purposes of this section, recommend any such*
4 *person who is serving in its elementary, secondary, or post-*
5 *secondary vocational school or schools upon condition that*
6 *it agree to rehire such individual upon his completing the*
7 *course of study under such fellowship.*

8 *FELLOWSHIPS IN ANCILLARY FIELDS*

9 *SEC. 525. Not less than 20 per centum nor more than*
10 *25 per centum of the fellowships awarded under sections*
11 *523 and 524 shall be awarded to persons for graduate work*
12 *in fields ancillary to elementary, secondary, or postsecondary*
13 *vocational education, as defined in section 522.*

14 *FELLOWSHIPS FOR DISPLACED EXPERIENCED TEACHERS*

15 *SEC. 526. Not to exceed 20 per centum of the fellow-*
16 *ships awarded under section 524 may be awarded to persons*
17 *who have been displaced in their employment as professional*
18 *employees of local educational agencies as a result of changes*
19 *of school populations brought about by the enforcement of the*
20 *Civil Rights Act of 1964, or the carrying out of the purpose*
21 *of such Act. Fellowships pursuant to this section shall be*
22 *awarded by the Commissioner without regard to the require-*
23 *ments of section 524 with respect to recommendations and*
24 *agreements to rehire.*

1 *DISTRIBUTION OF FELLOWSHIPS*

2 *SEC. 527. In awarding fellowships under the provisions*
3 *of this part the Commissioner shall endeavor to provide*
4 *an equitable distribution of such fellowships throughout the*
5 *Nation, except that to the extent he deems proper in the*
6 *national interest, the Commissioner shall give preference*
7 *in such awards to persons already serving, or who intend*
8 *to serve, in elementary or secondary schools in low-income*
9 *rural or metropolitan areas.*

10 *STIPENDS*

11 *SEC. 528. (a) Each person awarded a fellowship under*
12 *the provisions of section 523 shall receive a stipend of*
13 *\$2,000 for the first academic year of study and \$2,200 for*
14 *the second such year. Each person awarded a fellowship*
15 *under the provisions of section 524 shall receive a stipend*
16 *of \$4,800 for each academic year of study. In both cases*
17 *an additional amount of \$400 for each such academic year*
18 *of study shall be paid to each such person on account of each*
19 *of his dependents.*

20 *(b) In addition to the amount paid to persons pur-*
21 *suant to subsection (a) there shall be paid to the institution*
22 *of higher education at which each such person is pursuing his*
23 *course of study, \$3,000 per academic year. Amounts paid*
24 *pursuant to this subsection shall be less any amount charged*
25 *any such person for tuition.*

1 (c) The Commissioner shall reimburse any person
2 awarded a fellowship pursuant to this part for actual and
3 necessary traveling expenses of such person and his depend-
4 ents from his ordinary place of residence to the institution of
5 higher education where he will pursue his studies under such
6 fellowship, and to return to such residence.

7 LIMITATION

8 SEC. 529. No fellowship shall be awarded under this
9 part for study at a school or department of divinity. For the
10 purposes of this section, the term "school or department of
11 divinity" means an institution or department or branch of an
12 institution, whose program is specifically for the education
13 of students to prepare them to become ministers of religion
14 or to enter upon some other religious vocation or to prepare
15 them to teach theological subjects.

16 FELLOWSHIP CONDITIONS

17 SEC. 530. A person awarded a fellowship under the
18 provisions of this part shall continue to receive the payments
19 provided in section 528(a) only during such periods as the
20 Commissioner finds that he is maintaining satisfactory pro-
21 ficiency in, and devoting essentially full time to, study or
22 research in the field in which such fellowship was awarded,
23 in an institution of higher education, and is not engaging in
24 gainful employment other than part-time employment by

1 *such institution in teaching, research, or similar activities,*
2 *approved by the Commissioner.*

3 *APPROPRIATIONS*

4 *SEC. 531. There are authorized to be appropriated such*
5 *amounts as may be necessary to carry out the provisions of*
6 *this part.*

7 *PART D—GRANTS TO INSTITUTIONS OF HIGHER EDUCA-*
8 *TION FOR IMPROVED TEACHER EDUCATION*

9 *APPROPRIATIONS AUTHORIZED*

10 *SEC. 541. There are authorized to be appropriated*
11 *\$5,000,000 for the fiscal year ending June 30, 1966, and*
12 *for each of the four succeeding fiscal years, for the purpose*
13 *of carrying out this part.*

14 *GRANTS FOR IMPROVED TEACHER EDUCATION*

15 *SEC. 542. (a) For the purpose of obtaining an appro-*
16 *priate geographical distribution of high-quality programs for*
17 *the training of personnel for elementary, secondary, and*
18 *postsecondary vocational education, the Commissioner is*
19 *authorized, on such terms and conditions as he may deem*
20 *appropriate, to make grants to and contracts with institu-*
21 *tions of higher education to pay part of the cost of devel-*
22 *oping or strengthening graduate programs which meet the*
23 *requirements of subsection (b) and of developing or*
24 *strengthening high-quality undergraduate programs for the*
25 *training of such personnel. The Commissioner shall set forth*

1 in regulations the standards and priorities which will be
2 utilized in approving such grants and contracts. The Com-
3 missioner may employ experts and consultants, as authorized
4 by section 15 of the Administrative Expenses Act of 1946
5 (5 U.S.C. 55a), to advise him with respect to the making of
6 grants and contracts under this part and in carrying out the
7 provisions of part C. Experts and consultants employed
8 pursuant to this subsection may be compensated while so
9 employed at rates not in excess of \$100 per diem, includ-
10 ing travel time, and may be allowed, while away from their
11 homes or regular places of business, travel expenses (in-
12 cluding per diem in lieu of subsistence) as authorized by
13 section 5 of such Act (5 U.S.C. 73b-2) for persons in the
14 Government service employed intermittently.

15 (b) The Commissioner shall approve a graduate pro-
16 gram of an institution of higher education for assistance
17 under this part only upon application by the institution and
18 only upon his finding—

19 (1) that such program will substantially further
20 the objective of improving the quality of education of
21 persons who are pursuing or intend to pursue a career
22 in elementary, secondary, or postsecondary vocational
23 education,

24 (2) that such program gives major emphasis to
25 high-quality substantive courses,

1 (3) that such program is of high quality and
2 either is in effect or will be attainable as a result of
3 assistance received under this part, and

4 (4) that only persons who demonstrate a serious
5 intent to pursue or to continue to pursue a career in
6 elementary, secondary, or postsecondary vocational edu-
7 cation will be accepted for study in the program.

8 TITLE VI—FINANCIAL ASSISTANCE FOR THE
9 IMPROVEMENT OF UNDERGRADUATE IN-
10 STRUCTION

11 PART A—EQUIPMENT

12 STATEMENT OF PURPOSE AND AUTHORIZATION OF
13 APPROPRIATIONS

14 SEC. 601. (a) The purpose of this part is to improve
15 the quality of classroom instruction in selected subject areas
16 in institutions of higher education.

17 (b) There are hereby authorized to be appropriated
18 \$35,000,000 for the fiscal year ending June 30, 1966,
19 \$50,000,000 for the fiscal year ending June 30, 1967, and
20 \$60,000,000 for the fiscal year ending June 30, 1968, and
21 for each of the two succeeding fiscal years, to enable the Com-
22 missioner to make grants to institutions of higher education
23 pursuant to this part for the acquisition of equipment and
24 for minor remodeling described in section 603(2)(A).

25 (c) There are also authorized to be appropriated

1 \$2,500,000 for the fiscal year ending June 30, 1966,
2 and \$10,000,000 for the fiscal year ending June 30, 1967,
3 and for each of the three succeeding fiscal years, to enable the
4 Commissioner to make grants to institutions of higher educa-
5 tion pursuant to this part for the acquisition of television
6 equipment and for minor remodeling described in section
7 603(2)(B).

8 (d) There is also authorized to be appropriated a sum
9 not exceeding \$1,000,000 for the fiscal year ending June 30,
10 1966, and for each of the four succeeding fiscal years, to
11 enable the Commissioner to make grants in such amounts as
12 he may consider necessary for the proper and efficient admin-
13 istration of the State plans approved under this part includ-
14 ing expenses which he determines are necessary for the prepa-
15 ration of such plans.

16 ALLOTMENTS TO STATES

17 SEC. 602. (a)(1) Of the funds appropriated pursuant
18 to subsections (b) and (c) of section 601 for any fiscal
19 year one-half shall be allotted by the Commissioner among
20 the States so that the allotment to each State will be an
21 amount which bears the same ratio to such one-half as
22 the number of students enrolled in institutions of higher
23 education in such State bears to the total number of
24 students enrolled in such institutions in all the States;

1 *and the remaining one-half shall be allotted by him among*
 2 *the States in accordance with paragraph (2) of this*
 3 *subsection. For the purposes of this subsection, (A) the*
 4 *number of students enroled in institutions of higher educa-*
 5 *tion shall be deemed to be equal to the sum of (i) the num-*
 6 *ber of full-time students and (ii) the full-time equivalent of*
 7 *the number of part-time students as determined by the Com-*
 8 *missioner in accordance with regulations; and (B) deter-*
 9 *minations as to enrollment shall be made by the Commis-*
 10 *sioner on the basis of data for the most recent year for which*
 11 *satisfactory data with respect to such enrollment are avail-*
 12 *able to him.*

13 (2) *For the purposes of this paragraph the Commis-*
 14 *sioner shall allot to each State for each fiscal year an amount*
 15 *which bears the same ratio to the funds being allotted pur-*
 16 *suant to this paragraph as the product of—*

17 (A) *the number of students enrolled in institutions*
 18 *of higher education in such State, and*

19 (B) *the State's allotment ratio*
 20 *bears to the sum of the corresponding products for all the*
 21 *States. For the purposes of this paragraph the allotment*
 22 *ratio for any State shall be 1.00 less the product of (i) 0.50*
 23 *and (ii) the quotient obtained by dividing the income per*
 24 *person for the State by the income per person for all the*
 25 *States (not including Puerto Rico, the Virgin Islands, Amer-*

1 ican Samoa, and Guam), except that the allotment ratio
2 shall in no case be less than $0.33\frac{1}{3}$ or more than $0.66\frac{2}{3}$, and
3 the allotment ratio for Puerto Rico, the Virgin Islands,
4 American Samoa, and Guam shall be $0.66\frac{2}{3}$. The allotment
5 ratios shall be promulgated by the Commissioner as soon as
6 possible after enactment of this Act, and annually thereafter,
7 on the basis of the average of the incomes per person of the
8 States and of all the States for the three most recent consecu-
9 tive calendar years for which satisfactory data are available
10 from the Department of Commerce.

11 (b)(1) A State's allotment under subsection (a)
12 from funds appropriated pursuant to section 601(b) shall
13 be available in accordance with the provisions of this part
14 for payment of the Federal share (as determined under
15 section 604) of the cost of equipment and minor remodeling
16 described in section 603(2)(A).

17 (2) A State's allotment under subsection (a) from
18 funds appropriated pursuant to section 601(c) shall be
19 available in accordance with the provisions of this part for
20 payment of the Federal share (as determined under section
21 604) of the cost of television equipment and minor remodel-
22 ing described in section 603(2)(B).

23 (c) Sums allotted to a State for the fiscal year ending
24 June 30, 1966, shall remain available for reservation as
25 provided in section 606 until the close of the next fiscal

1 year, in addition to the sums allotted to such State for such
2 next fiscal year. Sums allotted to a State for the fiscal
3 year ending June 30, 1967, or for any succeeding fiscal
4 year, which are not reserved as provided in section 606 by
5 the close of the fiscal year for which they are allotted, shall
6 be reallocated by the Commissioner, on the basis of such
7 factors as he determines to be equitable and reasonable,
8 among the States which, as determined by the Commissioner,
9 are able to use without delay any amounts so reallocated.
10 Amounts reallocated under this subsection shall be available
11 for reservation until the close of the fiscal year next succeed-
12 ing the fiscal year for which they were originally allotted.

13 *STATE COMMISSIONS AND PLANS*

14 *SEC. 603. Any State desiring to participate in the pro-*
15 *gram under this part shall designate for that purpose an*
16 *existing State agency which is broadly representative of the*
17 *public and of institutions of higher education in the State, or,*
18 *if no such State agency exists, shall establish such a State*
19 *agency, and submit to the Commissioner through the agency*
20 *so designated or established (hereafter in this part referred*
21 *to as the "State commission"), a State plan for such partici-*
22 *pation. The Commissioner shall approve any such plan*
23 *which—*

24 (1) provides that it shall be administered by the
25 State commission;

(2) sets forth, consistently with basic criteria prescribed by regulation pursuant to section 604, objective standards and methods (A) for determining the relative priorities of eligible projects for the acquisition of laboratory and other special equipment (other than supplies consumed in use), including audiovisual materials and equipment for classrooms or audiovisual centers, and printed and published materials (other than textbooks) for classrooms or libraries, suitable for use in providing education in science, mathematics, foreign languages, history, geography, government, English, other humanities, the arts, or education at the undergraduate level in institutions of higher education, and minor remodeling of classroom or other space used for such materials or equipment; (B) for determining relative priorities of eligible projects for (i) the acquisition of television equipment for closed-circuit direct instruction in such fields in such institutions (including equipment for fixed-service instructional television, as defined by the Federal Communications Commission, but not including broadcast transmission equipment), (ii) the acquisition of necessary instructional materials for use in such television instruction, and (iii) minor remodeling necessary for such television equipment; and (C) for determining the Federal share of the cost of each such project;

1 (3) provides (A) for assigning priorities solely on
2 the basis of such criteria, standards, and methods to eli-
3 gible projects submitted to the State commission and
4 deemed by it to be otherwise approvable under the pro-
5 visions of this part; and (B) for approving and recom-
6 mending to the Commissioner, in the order of such
7 priority, applications covering such eligible projects,
8 and for certifying to the Commissioner the Federal share,
9 determined by the State commission under the State
10 plan, of the cost of the project involved;

11 (4) provides for affording to every applicant,
12 which has submitted to the State commission a project,
13 an opportunity for a fair hearing before the commission
14 as to the priority assigned to such project or as to any
15 other determination of the commission adversely affect-
16 ing such applicant; and

17 (5) provides (A) for such fiscal control and fund
18 accounting procedures as may be necessary to assure
19 proper disbursement of and accounting for Federal funds
20 paid to the State commission under this part, and (B)
21 for the making of such reports, in such form and contain-
22 ing such information, as may be reasonably necessary
23 to enable the Commissioner to perform his functions
24 under this part.

1 *BASIC CRITERIA FOR DETERMINING PRIORITIES, FEDERAL*
2 *SHARE, AND MAINTENANCE OF EFFORT*

3 *SEC. 604. (a) As soon as practicable after the enact-*
4 *ment of this Act the Commissioner shall by regulation pre-*
5 *scribe basic criteria to which the provisions of State plans*
6 *setting forth standards and methods for determining relative*
7 *priorities of eligible projects, and the application of such*
8 *standards and methods to such projects under such plans,*
9 *shall be subject. Such basic criteria (1) shall be such as*
10 *will best tend to achieve the objectives of this part while*
11 *leaving opportunity and flexibility for the development of*
12 *State plan standards and methods that will best accommo-*
13 *date the varied needs of institutions in the several States, and*
14 *(2) shall give special consideration to the financial need*
15 *of the institution. Subject to the foregoing requirements,*
16 *such regulations may establish additional and appropriate*
17 *basic criteria, including provision for considering the degree*
18 *to which applicant institutions are effectively utilizing exist-*
19 *ing facilities and equipment, provision for allowing State*
20 *plans to group or provide for grouping, in a reasonable*
21 *manner, facilities or institutions according to functional or*
22 *educational type for priority purposes, and, in view of the*
23 *national objectives of this Act, provision for considering*
24 *the degree to which the institution serves students from two*

1 or more States or from outside the United States; and in no
2 event shall an institution's readiness to admit such out-of-
3 State students be considered as a priority factor adverse
4 to such institution.

5 (b) The Federal share for the purposes of this part
6 shall be 50 per centum of the cost of the project, except that
7 a State commission may increase such share to not to exceed
8 80 per centum of such cost in the case of any institution
9 proving insufficient resources to participate in the program
10 under this part and inability to acquire such resources. An
11 institution of higher education shall be eligible for a grant
12 for a project pursuant to this part in any fiscal year only if
13 such institution will expend during such year for the same
14 purposes as, but not pursuant to, this part an amount at least
15 equal to the amount expended by such institution for such
16 purposes during the previous fiscal year. The Commis-
17 sioner shall establish basic criteria for making determinations
18 under this subsection.

19 APPLICATIONS FOR GRANTS AND CONDITIONS FOR
20 APPROVAL

21 SEC. 605. (a) Institutions of higher education which
22 desire to obtain grants under this part shall submit applica-
23 tions therefor at such time or times and in such manner as
24 may be prescribed by the Commissioner, and such applica-
25 tions shall contain such information as may be required by or

1 pursuant to regulation for the purpose of enabling the Com-
2 missioner to make the determinations required to be made
3 by him under this part.

4 (b) The Commissioner shall approve an application
5 covering a project under this part and meeting the require-
6 ments prescribed pursuant to subsection (a) if—

7 (1) the project has been approved and recom-
8 mended by the appropriate State commission;

9 (2) the State commission has certified to the
10 Commissioner, in accordance with the State plan, the
11 Federal share of the cost of the project, and sufficient
12 funds to pay such Federal share are available from the
13 applicable allotment of the State (including any appli-
14 cable reallocation to the State);

15 (3) the project has, pursuant to the State plan,
16 been assigned a priority that is higher than that of all
17 other projects within such State (chargeable to the same
18 allotment) which meet all the requirements of this sec-
19 tion (other than this clause) and for which Federal
20 funds have not yet been reserved;

21 (4) the Commissioner determines that the project
22 will be undertaken in an economical manner and will not
23 be overly elaborate or extravagant; and

24 (5) the Commissioner determines that the appli-

1 *cation contains or is supported by satisfactory assur-*
 2 *ances—*

3 *(A) that Federal funds received by the appli-*
 4 *cant will be used solely for defraying the cost of the*
 5 *project covered by such application,*

6 *(B) that sufficient funds will be available to*
 7 *meet the non-Federal portion of such cost and to*
 8 *provide for the effective use of the equipment upon*
 9 *completion, and*

10 *(C) that the institution will meet the mainte-*
 11 *nance of effort requirement in section 604(b).*

12 *(b) Amendments of applications shall, except as the*
 13 *Commissioner may otherwise provide by or pursuant to*
 14 *regulation, be subject to approval in the same manner as*
 15 *original applications.*

16 *AMOUNT OF GRANT—PAYMENT*

17 *SEC. 606. Upon his approval of any application for a*
 18 *grant under this part, the Commissioner shall reserve from*
 19 *the applicable allotment (including any applicable reallot-*
 20 *ment) available therefor, the amount of such grant, which*
 21 *(subject to the limits of such allotment or reallotment) shall*
 22 *be equal to the Federal share of the cost of the project cov-*
 23 *ered by such application. The Commissioner shall pay such*
 24 *reserved amount, in advance or by way of reimbursement,*
 25 *and in such installments as he may determine. The Commis-*

1 sioner's reservation of any amount under this section may be
 2 amended by him, either upon approval of an amendment of
 3 the application covering such project or upon revision of the
 4 estimated cost of a project with respect to which such res-
 5 ervation was made, and in the event of an upward revision of
 6 such estimated cost approved by him he may reserve the
 7 Federal share of the added cost only from the applicable
 8 allotment (or reallotment) available at the time of such
 9 approval.

10 ADMINISTRATION OF STATE PLANS

11 SEC. 607. (a) The Commissioner shall not finally dis-
 12 approve any State plan submitted under this part, or any
 13 modification thereof, without first affording the State com-
 14 mission submitting the plan reasonable notice and oppor-
 15 tunity for a hearing.

16 (b) Whenever the Commissioner, after reasonable notice
 17 and opportunity for hearing to the State commission admin-
 18 istering a State plan approved under this part, finds—

19 (1) that the State plan has been so changed that
 20 it no longer complies with the provisions of section
 21 603, or

22 (2) that in the administration of the plan there
 23 is a failure to comply substantially with any such pro-
 24 vision,

25 the Commissioner shall notify such State commission that

1 *the State will not be regarded as eligible to participate in*
2 *the program under this part until he is satisfied that there*
3 *is no longer any such failure to comply.*

4 *JUDICIAL REVIEW*

5 *SEC. 608. (a) If any State is dissatisfied with the*
6 *Commissioner's final action with respect to the approval of*
7 *its State plan submitted under this part or with his final*
8 *action under section 607, such State may appeal to the*
9 *United States court of appeals for the circuit in which such*
10 *State is located. The summons and notice of appeal may*
11 *be served at any place in the United States. The Commis-*
12 *sioner shall forthwith certify and file in the court the tran-*
13 *script of the proceedings and the record on which he based*
14 *his action.*

15 *(b) The findings of fact by the Commissioner, if sup-*
16 *ported by substantial evidence, shall be conclusive; but the*
17 *court, for good cause shown, may remand the case to the*
18 *Commissioner to take further evidence, and the Commis-*
19 *sioner may thereupon make new or modified findings of*
20 *fact and may modify his previous action, and shall certify*
21 *to the court the transcript and record of the further pro-*
22 *ceedings. Such new or modified findings of fact shall like-*
23 *wise be conclusive if supported by substantial evidence.*

24 *(c) The court shall have jurisdiction to affirm the*
25 *action of the Commissioner or to set it aside, in whole or*

1 *in part. The judgment of the court shall be subject to*
2 *review by the Supreme Court of the United States upon*
3 *certiorari or certification as provided in title 28, United*
4 *States Code, section 1254.*

5 *LIMITATION ON PAYMENTS*

6 *SEC. 609. Nothing contained in this part shall be con-*
7 *strued to authorize the making of any payment under this*
8 *part for any equipment or materials for religious worship*
9 *or instruction.*

10 *PART B—FACULTY DEVELOPMENT PROGRAMS*

11 *INSTITUTES AUTHORIZED*

12 *SEC. 621. There are authorized to be appropriated*
13 *\$5,000,000 for the fiscal year ending June 30, 1966, and for*
14 *each of the four succeeding fiscal years, to enable the Com-*
15 *missioner to arrange, through grants or contracts, with insti-*
16 *tutions of higher education for the operation by them of*
17 *short-term workshops or short-term or regular-session insti-*
18 *tutes for individuals (1) who are engaged in, or preparing to*
19 *engage in, the use of educational media equipment in teaching*
20 *in institutions of higher education, or (2) who are, or are*
21 *preparing to be, in institutions of higher education, specialists*
22 *in educational media or librarians or other specialists using*
23 *such media.*

24 *STIPENDS*

25 *SEC. 622. Each individual who attends an institute*

1 operated under the provisions of this part shall be eligible
 2 (after application therefor) to receive a stipend at the rate
 3 of \$75 per week for the period of his attendance at such
 4 institute and each such individual with one or more depend-
 5 ents shall receive an additional stipend at the rate of \$15 per
 6 week for each dependent. No stipends shall be paid for
 7 attendance at workshops.

8 *TITLE VII—AMENDMENTS TO HIGHER EDU-*
 9 *CATION FACILITIES ACT OF 1963*

10 *EXPANSION OF GRANT PURPOSES*

11 *SEC. 701. (a) Section 106 of the Higher Education*
 12 *Facilities Act of 1963 is amended to read as follows:*

13 *“ELIGIBILITY FOR GRANTS*

14 *“SEC. 106. An institution of higher education shall be*
 15 *eligible for a grant for construction of an academic facility*
 16 *under this title only if such construction will, either alone or*
 17 *together with other construction to be undertaken within a*
 18 *reasonable time, (1) result in an urgently needed substantial*
 19 *expansion of the institution's student enrollment capacity or*
 20 *capacity to carry out extension and continuing education*
 21 *programs, or (2) in the case of a new institution of higher*
 22 *education, result in creating urgently needed enrollment*
 23 *capacity or capacity to carry out extension and continuing*
 24 *education programs.”*

25 *(b) The first sentence of section 101(b) of the Higher*

1 *Education Facilities Act of 1963 is amended by striking*
 2 *out “and each of the two succeeding fiscal years” and insert-*
 3 *ing in lieu thereof “and for the succeeding fiscal year, and*
 4 *the sum of \$330,000,000 for the fiscal year ending June 30,*
 5 *1966”.*

6 (c) *The second sentence of section 201 of such Act is*
 7 *amended by striking out “and the sum of \$60,000,000 each*
 8 *for the fiscal year ending June 30, 1965, and the succeeding*
 9 *fiscal year” and inserting in lieu thereof “the sum of*
 10 *\$60,000,000 for the fiscal year ending June 30, 1965, and*
 11 *the sum of \$120,000,000 for the fiscal year ending June 30,*
 12 *1966”.*

13 *TECHNICAL AMENDMENTS*

14 *MAKING SECTION 103 ALLOTMENTS AVAILABLE FOR SEC-* 15 *TION 104 INSTITUTIONS UNDER CERTAIN CIRCUMSTANCES*

16 *SEC. 702. (a)(1) Section 103(b) of the Higher Edu-*
 17 *cation Facilities Act of 1963 is amended by inserting “(1)”*
 18 *immediately after “(b)” in such section and by adding at the*
 19 *end thereof:*

20 *“(2) Notwithstanding other provisions of this title to the*
 21 *contrary, a State’s allotment for any fiscal year pursuant to*
 22 *this section shall, at the request of the Governor of such State,*
 23 *be available, in accordance with the provisions of this title,*
 24 *for payment of the Federal share (as determined under sec-*

1 tions 108(b)(3) and 401(d)) of the development cost of
 2 approved projects for the construction of academic facilities
 3 within such State for public institutions of higher education
 4 other than public community colleges and public technical
 5 institutes.”

6 (2) The first sentence of section 103(c) is amended by
 7 striking out “for providing academic facilities for public
 8 community colleges or public technical institutes” and insert-
 9 ing in lieu thereof “for the purposes set forth in subsection
 10 (b) of this section”.

11 (3) Clause (3) of section 105(a) is amended by insert-
 12 ing “(except as provided in section 103(b)(2))” after
 13 “section 103 will be available”.

14 **MAKING SECTION 104 ALLOTMENTS AVAILABLE FOR SECTION**

15 **103 INSTITUTIONS UNDER CERTAIN CIRCUMSTANCES**

16 (b)(1) Section 104(b) of the Higher Education Facili-
 17 ties Act of 1963 is amended by inserting “(1)” immediately
 18 after “(b)” in such section and by adding at the end thereof:

19 “(2) Notwithstanding other provisions of this title to
 20 the contrary, a State’s allotment for any fiscal year pursuant
 21 to this section shall, at the request of the Governor of such
 22 State, be available, in accordance with the provisions of this
 23 title, for payment of the Federal share (as determined under
 24 sections 108(b)(3) and 401(d)) of the development cost of
 25 approved projects for the construction of academic facilities

1 *within such State for public community colleges and public*
 2 *technical institutes.”*

3 (2) *The first sentence of section 104(c) is amended by*
 4 *striking out “for providing academic facilities for institutions*
 5 *of higher education other than public community colleges and*
 6 *public technical institutes” and inserting in lieu thereof “for*
 7 *the purposes set forth in subsection (b) of this section”.*

8 (3) *Clause (3) of section 105(a) is amended by insert-*
 9 *ing “(except as provided in section 104(b)(2))” after “sec-*
 10 *tion 104 will be available”.*

11 REVISING FEDERAL SHARE FOR PUBLIC COMMUNITY
 12 COLLEGES AND PUBLIC TECHNICAL INSTITUTES

13 (c)(1) *Section 105(a)(2) of the Higher Education Fa-*
 14 *cilities Act of 1963 is amended by striking out “other than a*
 15 *project for a public community college or public technical*
 16 *institute”.*

17 (2) *Section 107(b) of such Act is amended (1) by*
 18 *striking out “other than a project for a public community*
 19 *college or public technical institute”, and (2) by striking out*
 20 *“shall be 40 per centum” and inserting in lieu thereof “shall*
 21 *in no event exceed 40 per centum”.*

22 (3) *Section 401(d) of such Act is amended by inserting*
 23 *immediately before “40 per centum” the following: “a per-*
 24 *centage (as determined under the applicable State plan) not*
 25 *in excess of”.*

1 INDEFINITE AVAILABILITY OF SUMS APPROPRIATED

2 UNDER SECTION 201

3 *(d) The last sentence of section 201 of the Higher Edu-*
 4 *cation Facilities Act of 1963 is amended to read as follows:*
 5 *“Sums so appropriated shall remain available until expended*
 6 *for grants under this title.”*

7 TWO-YEAR AVAILABILITY OF TITLE III FUNDS

8 *(e) Section 303(c) of the Higher Education Facilities*
 9 *Act of 1963 is amended by adding at the end the following*
 10 *new sentence: “Sums appropriated pursuant to this subsec-*
 11 *tion for any fiscal year shall remain available for loans*
 12 *under this title until the end of the next succeeding fiscal*
 13 *year.”*

14 COORDINATION WITH PART A (GRANTS FOR EXPANSION
 15 AND IMPROVEMENT OF NURSE TRAINING) OF TITLE
 16 VIII OF THE PUBLIC HEALTH SERVICE ACT

17 *(f) Effective with respect to applications for grants and*
 18 *loans submitted after the date of enactment of this Act, clause*
 19 *(E) of section 401(a)(2) of the Higher Education Facil-*
 20 *ities Act of 1963 is amended to read as follows: “(E) any*
 21 *facility used or to be used by a school of medicine, school*
 22 *of dentistry, school of osteopathy, school of pharmacy, school*
 23 *of optometry, school of podiatry, or school of public health*
 24 *as these terms are defined in section 724 of the Public Health*

1 *Service Act, or a school of nursing as defined in section*
 2 *843 of that Act."*

3 *CHANGE IN INTEREST RATE FOR TITLE III LOANS*

4 *SEC. 703. (a) Subsection (b) of section 303 of the*
 5 *Higher Education Facilities Act of 1963 is amended by in-*
 6 *serting "(1)" after "shall bear interest at", and by insert-*
 7 *ing before the period at the end thereof a comma and the*
 8 *following: "or (2) the rate of 3 per centum per annum,*
 9 *whichever is the lesser".*

10 *(b) The amendment made by this section shall be appli-*
 11 *cable only with respect to loans made after the date of enact-*
 12 *ment of this Act.*

13 *TITLE VIII—GENERAL PROVISIONS*

14 *DEFINITIONS*

15 *SEC. 801. As used in this Act—*

16 *(a) The term "institution of higher education" means*
 17 *an educational institution in any State which (1) admits as*
 18 *regular students only persons having a certificate of gradua-*
 19 *tion from a school providing secondary education, or the*
 20 *recognized equivalent of such a certificate, (2) is legally*
 21 *authorized within such State to provide a program of educa-*
 22 *tion beyond secondary education, (3) provides an educa-*
 23 *tional program for which it awards a bachelor's degree or*
 24 *provides not less than a two-year program which is ac-*

1 ceptable for full credit toward such a degree, (4) is a
2 public or other nonprofit institution, and (5) is accredited
3 by a nationally recognized accrediting agency or association
4 or, if not so accredited, is an institution whose credits are
5 accepted, on transfer, by not less than three institutions
6 which are so accredited, for credit on the same basis as if
7 transferred from an institution so accredited. Such term
8 also includes any business school or technical institution
9 which meets the provisions of clauses (1), (2), (4), and
10 (5). For purposes of this subsection, the Commissioner
11 shall publish a list of nationally recognized accrediting
12 agencies or associations which he determines to be reliable
13 authority as to the quality of training offered.

14 (b) The term "State" includes, in addition to the sev-
15 eral States of the Union, the Commonwealth of Puerto Rico,
16 the District of Columbia, Guam, American Samoa, and the
17 Virgin Islands.

18 (c) The term "nonprofit" as applied to a school, agency,
19 organization, or institution means a school, agency, organiza-
20 tion, or institution owned and operated by one or more non-
21 profit corporations or associations no part of the net earnings
22 of which inures, or may lawfully inure, to the benefit of
23 any private shareholder or individual.

24 (d) The term "secondary school" means a school which
25 provides secondary education as determined under State law

1 *except that it does not include any education provided*
2 *beyond grade 12.*

3 *(e) The term "Secretary" means the Secretary of*
4 *Health, Education, and Welfare.*

5 *(f) The term "Commissioner" means the Commissioner*
6 *of Education.*

7 *(g) The term "local educational agency" means a pub-*
8 *lic board of education or other public authority legally consti-*
9 *tuted within a State for either administrative control or*
10 *direction of, or to perform a service function for, public*
11 *elementary, secondary, or postsecondary vocational schools*
12 *in a city, county, township, school district, or other political*
13 *subdivision of a State, or such combination of school districts*
14 *or counties as are recognized in a State as an administrative*
15 *agency for its public elementary, secondary, or postsecond-*
16 *ary vocational schools. Such term also includes any other*
17 *public institution or agency having administrative control*
18 *and direction of a public elementary, secondary, or post-*
19 *secondary vocational school.*

20 *(h) The term "State educational agency" means the*
21 *State board of education or other agency or officer primarily*
22 *responsible for the State supervision of public elementary and*
23 *secondary schools, or, if there is no such officer or agency,*
24 *an officer or agency designated by the Governor or by State*
25 *law.*

1 (i) The term "elementary school" means a school which
2 provides elementary education including education below
3 grade 1, as determined under State law.

4 METHOD OF PAYMENT

5 SEC. 802. Payments under this Act to any individual
6 or to any State or Federal agency, institution of higher
7 education, or any other organization, pursuant to a grant,
8 loan, or contract, may be made in installments, and in ad-
9 vance or by way of reimbursement, and, in the case of grants
10 or loans, with necessary adjustments on account of over-
11 payments or underpayments.

12 FEDERAL ADMINISTRATION

13 SEC. 803. (a) The Commissioner is authorized to dele-
14 gate any of his functions under this Act, except the making
15 of regulations, to any officer or employee of the Office of
16 Education.

17 (b) In administering the titles of this Act for which
18 he is responsible, the Commissioner is authorized to utilize
19 the services and facilities of any agency of the Federal
20 Government and of any other public or nonprofit agency or
21 institution, in accordance with agreements between the Sec-
22 retary and the head thereof.

23 (c) In carrying out his functions under this or any
24 other Act, the Commissioner is authorized to contract for
25 the publication of educational and related information so as

1 *to further the full dissemination of information of educa-*
 2 *tional value consistent with the national interest, without*
 3 *regard to the provisions of section 87 of the Act of Jan-*
 4 *uary 12, 1895 (28 Stat. 622), and section 11 of the Act*
 5 *of March 1, 1919 (40 Stat. 1270; 44 U.S.C. 111).*

6 *FEDERAL CONTROL OF EDUCATION PROHIBITED*

7 *SEC. 804. Nothing contained in this Act or any other*
 8 *Act shall be construed to authorize any department, agency,*
 9 *officer, or employee of the United States to exercise any direc-*
 10 *tion, supervision, or control over the curriculum, program*
 11 *of instruction, administration, or personnel of any educa-*
 12 *tional institution, or over the selection of library resources*
 13 *by any educational institution; or the membership practices*
 14 *or internal operations of any fraternal organization, any*
 15 *fraternity or sorority, any private club or any religious or-*
 16 *ganization at any institution of higher education, whose facili-*
 17 *ties are not owned by the institution of higher education and*
 18 *whose activities are financed by funds derived from private*
 19 *sources.*

Passed the House of Representatives August 26, 1965.

Attest: RALPH R. ROBERTS,
Clerk.

Passed the Senate with an amendment September 2
 (legislative day September 1), 1965.

Attest: FELTON M. JOHNSTON,
Secretary.

AN ACT

To strengthen the educational resources of our colleges and universities and to provide financial assistance for students in postsecondary and higher education.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 2 (legislative day, **SEPTEMBER 1**), 1965

Ordered to be printed with the amendment of the Senate

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250
OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
FOR INFORMATION ONLY;
(NOT TO BE QUOTED OR CITED)

Issued Sept. 16, 1965
For actions of Sept. 15, 1965
89th-1st; No. 170

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HIGHLIGHTS: House voted to recommit conference report on bill to expand poverty program. Rep. Langen criticized administration's agricultural foreign trade policies. Senate committee reported resolution to establish annual National Farmers Week. Senate committee voted to report wild rivers bill.

HOUSE

1. **POVERTY.** By a vote of 209 to 180, agreed to a motion by Rep. Ayres to recommit the conference report on H. R. 8283, to expand the war on poverty and enhance the effectiveness of programs under the Economic Opportunity Act of 1964, to conferees with instructions to insist on language of the House bill which retains the veto power of State Governors over community action programs and Neighborhood Youth Corps programs. pp. 23072-8, 23134
2. **DEFENSE APPROPRIATION BILL.** Received the conference report on this bill, H. R. 9221 (H. Rept. 1006)(pp. 23071-2, 23157). The Senate amendment to authorize the Defense Department to purchase milk for enlisted personnel which was pre-

viously furnished without charge by CCC, was reported in disagreement with a statement that the managers on the part of the House intended to offer a motion to concur in the Senate amendment with a technical correction to the legal citation.

3. INFORMATION. Passed with amendment S. 1483, to provide for the establishment of a National Foundation on the Arts and the Humanities to promote progress and scholarship in the humanities and the arts, after substituting the language of a similar bill, H. R. 9460, which had been passed earlier with amendment. H. R. 9460 was tabled. pp. 23078-124
4. FISHERIES. The Merchant Marine and Fisheries Committee reported with amendment H. R. 23, to authorize the Secretary of the Interior to initiate a program for the conservation, development, and enhancement of the Nation's anadromous fish in cooperation with the States (H. Rept. 1007). p. 23157
5. TRADE FAIRS. The Rules Committee reported resolutions for the consideration of H. R. 30, to provide for U. S. participation in the Inter-American Cultural and Trade Center in Dade County, Fla., and H. R. 9247, to provide for U. S. participation in the HemisFair 1968 Exposition to be held at San Antonio, Tex., p. 23157
6. PERSONNEL. A subcommittee of the Post Office and Civil Service Committee approved for consideration of the full committee H. R. 5147, to amend the Federal Employees Health Benefits Act so as to permit certain additional health benefits plans to come within the purview of the Act. p. D925
7. TARIFFS; HARDWOODS. The Ways and Means Committee voted to report (but did not actually report) H. R. 7723, to amend the U. S. Tariff Schedules to suspend the duty on certain tropical hardwoods. p. D925
8. FOREIGN TRADE. Rep. Langen stated that "a more realistic U. S. agricultural foreign trade policy would contribute much to the correction of our domestic farm problems," and inserted a statement of the House Republican Task Force on Agriculture critical of the administration's foreign agricultural trade policies. pp. 23140-1
Rep. Lipscomb stated that "the administration's decision to send a high level trade mission to Rumania and Poland is a tragic mistake." p. 23133
9. DISASTER RELIEF. Rep. Brademas expressed concern over recent hurricane and tornado damage and urged enactment of "new legislation to provide additional assistance for areas suffering a major disaster." pp. 23128-9
10. WATER RESOURCES. Rep. Udall urged enactment of legislation to authorize the Lower Colorado River Basin project. pp. 23126-8
Reps. Rosenthal and Ottinger urged increased efforts for the development and protection of water resources in the Northeast. pp. 23144-6, 23149-50
Rep. Monagan spoke in support of enactment of S. 4, the proposed Federal Water Pollution Control Act. p. 23149
11. EDUCATION. Conferees were appointed on H. R. 9567, the proposed Higher Education Act of 1965 (p. 23071). Senate conferees have already been appointed.
12. STOCKPILING. Received from the Office of Emergency Planning a semi-annual Statistical Supplement Stockpile Report. p. 23157

Police or other authorized personnel, shall be subject to arrest and prosecution.
THE HOUSE OFFICE BUILDING COMMISSION,
JOHN W. MCCORMACK,
Speaker and Chairman of the Commission.
EMANUEL CELLER,
CHARLES E. GOODELL,
Members.

HIGHER EDUCATION ACT OF 1965

Mr. DANIELS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 9567), to strengthen the educational resources of our colleges and universities and to provide financial assistance for students in postsecondary and higher education, with a Senate amendment thereto, disagree to the Senate amendment and agreed to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

The Chair hears none, and appoints the following conferees: Messrs. POWELL, PERKINS, Mrs. GREEN of Oregon, Messrs. ROOSEVELT, BRADEMAs, CAREY, DENT, GIBBONS, AYRES, GRIFFIN, QUIE, and REID of New York.

PERMISSION TO COMMITTEE ON APPROPRIATIONS TO FILE CONFERENCE REPORT ON DEFENSE DEPARTMENT APPROPRIATION BILL FOR FISCAL YEAR 1966

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the managers on the part of the House may have until midnight tonight to file a conference report on the bill H.R. 9221, the Department of Defense appropriation bill for fiscal year 1966.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

CONFERENCE REPORT (H. REPT. 1006)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9221) "making appropriations for the Department of Defense for the fiscal year ending June 30, 1966, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 61.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, 7, 9, 11, 12, 13, 17, 18, 19, 20, 21, 22, 23, 25, 26, 27, 28, 29, 30, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, and 59; and agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$1,135,000,000"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$125,000,000"; and the Senate agree to the same.

Amendment numbered 60: That the House recede from its disagreement to the amendment of the Senate numbered 60, and agree

to the same with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment, insert:

"SEC. 638. None of the funds provided herein shall be used to pay any recipient of a grant for the conduct of a research project an amount equal to as much as the entire cost of such project."

And the Senate agree to the same.

Amendment numbered 63: That the House recede from its disagreement to the amendment of the Senate numbered 63, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert:

"SEC. 640. None of the funds provided in this Act shall be available for the expenses of the Special Training Enlistment Program (STEP)."

And the Senate agree to the same.

Amendment numbered 64: That the House recede from its disagreement to the amendment of the Senate numbered 64, and agree to the same with an amendment, as follows: In lieu of the number proposed in said amendment, insert: "641"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 8, 10, 16, 24, 31, and 62.

GEORGE MAHON,
 ROBERT L. SIKES,
 JAMIE L. WHITTEN,
 DANIEL J. FLOOD,
 ALBERT THOMAS,
 JOHN J. McFALL,
 GLENARD P. LIPSCOMB,
 MELVIN R. LAIRD,
 WILLIAM E. MINSHALL,
 FRANK T. BOW,

Managers on the Part of the House.

JOHN STENNIS,
 RICHARD B. RUSSELL,
 CARL HAYDEN,
 LISTER HILL,
 JOHN L. MCCLELLAN,
 ALLEN J. ELLENDER,
 HARRY FLOOD BYRD,
 LEVERETT SALTONSTALL,
 MILTON R. YOUNG,
 MARGARET CHASE SMITH,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9221) making appropriations for the Department of Defense for the fiscal year ending June 30, 1966, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments; namely:

TITLE I—MILITARY PERSONNEL

Military personnel, Army

Amendment No. 1: Appropriates \$4,092,291,000 as proposed by the Senate instead of \$4,096,100,000 as proposed by the House.

Amendment No. 2: Deletes, as proposed by the Senate, House language relating to limitation on permanent change of station travel.

Amendment No. 3: Deletes word, as proposed by the Senate, correcting introduction to proviso.

Military personnel, Navy

Amendment No. 4: Deletes, as proposed by the Senate, House language relating to limitation on permanent change of station travel.

Military personnel, Marine Corps

Amendment No. 5: Deletes, as proposed by the Senate, House language relating to limitation on permanent change of station travel.

Military personnel, Air Force

Amendment No. 6: Deletes, as proposed by the Senate, House language relating to limitation on permanent change of station travel.

Amendment No. 7: Deletes word, as proposed by the Senate, correcting introduction to proviso.

Reserve personnel, Army

Amendment No. 8: Reported in disagreement. It is the intention of the managers on the part of the House to offer a motion to recede and concur with an amendment which will provide that the Army Reserve be programed to attain an end strength of 270,000 in fiscal year 1966.

It is the intention of the Committee of Conference, by its actions in connection with amendments 8, 10, and 62, to expressly disapprove a realignment or reorganization of the Army Reserve and Army National Guard as had been proposed in the budget estimates for fiscal year 1966. It is further intended to express disapproval of a subsequently offered plan providing for a limited realignment or reorganization in 17 States. It should be clear from this action that the realignment or reorganization of the Army Reserve Components can be effected only through the enactment of appropriate law.

National Guard personnel, Army

Amendment No. 9: Appropriates \$271,800,000 as proposed by the Senate instead of \$266,200,000 as proposed by the House.

Amendment No. 10: Reported in disagreement. It is the intention of the managers on the part of the House to offer a motion to recede and concur with an amendment which will provide that the Army National Guard be programed to attain an end strength of not less than 380,000 in fiscal year 1966.

TITLE II—OPERATION AND MAINTENANCE

Operation and maintenance, Army

Amendment No. 11: Appropriates \$3,483,600,000 as proposed by the Senate instead of \$3,475,200,000 as proposed by the House.

Operation and maintenance, Defense Agencies

Amendment No. 12: Appropriates \$533,490,000 as proposed by the Senate instead of \$533,762,000 as proposed by the House.

TITLE III—PROCUREMENT

Procurement of equipment and missiles, Army

Amendment No. 13: Appropriates \$1,204,800,000 as proposed by the Senate instead of \$1,205,800,000 as proposed by the House.

Other procurement, Navy

Amendment No. 14: Appropriates \$1,135,000,000 instead of \$1,120,000,000 as proposed by the House and \$1,149,900,000 as proposed by the Senate.

TITLE IV—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Emergency fund, Defense

Amendment No. 15: Appropriates \$125,000,000 instead of \$150,000,000 as proposed by the House and \$100,000,000 as proposed by the Senate.

TITLE V—EMERGENCY FUND, SOUTHEAST ASIA

Amendment No. 16: Reported in disagreement.

It is the intention of the managers on the part of the House to offer a motion to recede and concur in the Senate amendment providing \$1,700,000,000 for the Emergency Fund, Southeast Asia.

TITLE VI—GENERAL PROVISIONS

Amendment No. 17: Corrects title number. Amendments Nos. 18, 19, 20, 21, 22, and 23: Correct section numbers.

Amendment No. 24: Reported in disagreement.

It is the intention of the managers on the part of the House to offer a motion to recede and concur in the amendment of the Senate providing authority for the purchase of milk for enlisted personnel heretofore made available through the Department of Agriculture, with a technical correction to the legal citation.

Amendments Nos. 25, 26, 27, 28, 29, and 30: Correct section numbers.

Amendment No. 31: Reported in disagreement.

It is the intention of the managers on the part of the House to offer a motion to recede and concur in the Senate amendment which provides notification to the Committees on Appropriations of use of authorities contained in section 612 and provides for a report of obligations monthly in connection therewith.

Amendments Nos. 32, 33, and 34: Correct section numbers.

Amendments Nos. 35 and 36: Provides language proposed by the Senate limiting household goods shipments to 11,000 pounds net in any one shipment instead of language proposed by the House allowing 13,000 pounds for general officers, 12,000 pounds for colonels, and 11,000 pounds for all others.

Amendments Nos. 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, and 59: Correct section numbers.

Amendment No. 60: Restores language proposed by the House respecting sharing of costs of research project grants, and corrects section number.

The committee of conference, in agreeing to the language of the House, does not intend to approve the granting of funds in excess of the total amount justified in the budget presentations.

Amendment No. 61: Strikes language proposed by the Senate with respect to the allocation of funds for repair, alteration, and conversion of naval vessels.

The committee of conference is agreed that the most effective practical use of both public and private shipyards must continue to be made since both are essential to the security of the Nation. The committee of conference is in agreement that allocations of funds for ship repair, alteration, and conversion should be made to both public and private yards on a reasonable and equitable basis consistent with the national interest. It is requested that the Secretary of Defense keep the appropriate committees of Congress informed at least quarterly of the allocations of funds for such purposes.

Amendment No. 62: Reported in disagreement. It is the intention of the managers on the part of the House to offer a motion to recede and concur with an amendment which will provide that funds may be transferred to implement a realignment or reorganization of the Army Reserve Components only upon the approval by Congress through the enactment of law of such a realignment or reorganization.

Amendment No. 63: Provides that no funds be used for expenses of the special training enlistment program, as proposed by the Senate, and corrects section number.

Amendment No. 64: Corrects section number.

GEORGE MAHON,
ROBERT L. F. SIKES,
JAMIE L. WHITTEN,
DANIEL J. FLOOD,
ALBERT THOMAS,
JOHN J. MCFALL,
GLENARD P. LIPSCOMB,
MELVIN R. LAIRD,
WILLIAM E. MINSHALL,
FRANK T. BOW,

Managers on the Part of the House.

RE-REFERENCE OF HOUSE JOINT RESOLUTION 646, RELATING TO THE JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

Mr. McMILLAN. Mr. Speaker, I ask unanimous consent that the Committee on the District of Columbia be discharged from further consideration of the joint resolution (H.J. Res. 646) directing the National Capital Planning Commission to make a study of the site selected for the John F. Kennedy Center for the Performing Arts and any other sites proposed for such Center, and that the bill be re-referred to the Committee on Public Works, since that committee has already taken original action on this legislation.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

CORRECTION OF VOTE

Mr. ANNUNZIO. Mr. Speaker, on rollcall No. 216, on August 2, 1965, I am recorded as not voting. I was present and voted "yea." I ask unanimous consent that the permanent Record and Journal be corrected accordingly.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

NORA ISABELLA SAMUELLI

Mr. SENNER. Mr. Speaker, I call up the conference report of the bill (S. 618) for the relief of Nora Isabella Samuelli and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of Sept. 14, 1965.)

Mr. SENNER. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

CALL OF THE HOUSE

Mr. GIBBONS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 297]

Adair	Fulton, Tenn.	Moss
Anderson, Tenn.	Fuqua	O'Neal, Ga.
Andrews, George W.	Gallagher	Pirnie
Blatnik	Grider	Poage
Bolton	Hagan, Ga.	Pool
Bonner	Hanna	Reinecke
Cahill	Harvey, Ind.	Resnick
Corman	Hébert	Roosevelt
Daddario	Jones, Mo.	Roudebush
Derwinski	Lindsay	Ryan
Diggs	Long, Md.	Sisk
Edwards, Calif.	McClory	Thomas
Farnsley	MacGregor	Thompson, Tex.
Frelinghuysen	Machen	Toll
May	Martin, Ala.	Watson
	Wright	

The SPEAKER. On this rollcall 382 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

COMMITTEE ON RULES

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight Thursday night to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

ECONOMIC OPPORTUNITY AMENDMENTS OF 1965

Mr. POWELL. Mr. Speaker, I call up the conference report on the bill (H.R. 8283) to expand the war on poverty and enhance the effectiveness of programs under the Economic Opportunity Act of 1964, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The clerk read the statement.

(For conference report and statement, see proceedings of the House of September 14, 1965.)

Mr. POWELL. Mr. Speaker, this conference report that I bring before the House today assures that the war on poverty can continue in fiscal 1966 at an even more vigorous pace than it moved at in 1965.

When our deliberations began, the Senate and House conferees were by no means on the same side of the fence. But because of the cooperation and diligence of Members of both Chambers and on both sides of the aisle, we were able to reach an agreement that honors the wisdom of both bodies.

The most dramatic difference was the amount authorized for appropriations for fiscal 1966. The Senate figure was \$1,650 million; the House, \$1,895 million. The overall conference amount is \$1,785 million, which represents a significant concession of \$135 million on the part of

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250
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For actions of Oct. 19, 1965
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HIGHLIGHTS: Senate debated sugar bill. Senate committee reported supplemental appropriation bill and pay bill. Rep. Smith, Iowa, introduced and discussed meat inspection bill. House committee reported bill to increase flood water detention capacity.

SENATE

1. SUGAR. Began debate on H. R. 11135, the sugar bill, which had been reported with amendment during adjournment on Oct. 18 (S. Rept. 909). pp. 26315, 26393-419, 26427-39
2. SUPPLEMENTAL APPROPRIATION BILL. The Appropriations Committee reported with amendments this bill, H. R. 11588 (S. Rept. 912). p. 26325
It was agreed that this bill will be considered next after the sugar bill (p. 26440). Attached to this Digest is a table showing the actions of the Senate Committee.
3. FEDERAL PAY BILL. The Post Office and Civil Service Committee reported with amendments this bill, H. R. 10281, on Oct. 18 during adjournment (S. Rept. 910). p. 26315

4. EXPENDITURES; PERSONNEL; STOCKPILING. Received a report from the Byrd Joint Committee on Nonessential Federal Expenditures regarding these subjects. pp. 26326-38
5. FARM PROGRAM. Sen. Curtis spoke in favor of adequate farm prices, criticized the present program, and defended his record. pp. 26355-7
6. WORLD FOOD SHORTAGE. Sen. McGovern inserted and commended a speech by Rep. Stalbaum favoring farm production to alleviate the world food shortage. pp. 26361-3
7. ELECTRIFICATION. Sen. Hartke inserted an address by REA Administrator Clapp before the NRECA regional meetings, reviewing progress in rural electrification and outlining future financial requirements. pp. 26371-3
8. RIVERS-HARBORS AND FLOOD-CONTROL BILL. Agreed to the conference report on this bill, S. 2300. pp. 26380-93
9. DISASTER RELIEF. Sen. Long, La., described changes made by the Senate committee in H. R. 7502, the disaster-relief bill, including a provision to permit deduction of certain assessments by soil and water conservation districts, for income-tax purposes. pp. 26439-40

HOUSE

10. FLOOD CONTROL. The Agriculture Committee reported without amendment H.R. 9149, to amend the Watershed Protection and Flood Prevention Act, as amended, so as to increase the maximum flood-water detention capacity from 5,000 acre-feet to 12,500 acre-feet (H. Rept. 1177). p. 26537
11. EDUCATION. Received the conference report on H.R. 9567, the proposed Higher Education Act of 1965 (H. Rept. 1178). pp. 26447-70
12. TRANSPORTATION. The Interstate and Foreign Commerce Committee voted to report (but did not actually report) S. 1098, to amend the Interstate Commerce Act to insure the adequacy of the national railroad freight car supply. p. D1039
13. WHEAT. Rep. Albert emphasized that deferment of action on the International Wheat Agreement Act extension "should not be interpreted as indicating that the House is opposed to the agreement negotiated by our representatives and ratified by the Senate early this year." p. 26441
14. FOOD COMMISSION. Rep. Langen expressed approval of legislation to create a U.S. World Food Commission "to plan the future U.S. role in the approaching world food crisis." p. 26516
15. MONETARY FUND. Received from Treasury a report on the activities of the National Advisory Council on International Monetary and Financial Problems of the Bretton Woods Agreements Act. p. 26537
16. COMMODITY EXCHANGES. Received from this Department a proposed bill to amend the Commodity Exchange Act, as amended; to Agriculture Committee. p. 26537
17. LEGISLATIVE PROGRAM. Rep. Albert announced that tomorrow (Oct. 20) the House will call up the conference reports on the higher education bill and the omnibus rivers and harbors and flood control bill. pp. 26441-42

HIGHER EDUCATION ACT OF 1965

OCTOBER 19, 1965.—Ordered to be printed

Mr. POWELL, from the committee of conference, submitted
the following

CONFERENCE REPORT

[To accompany H. R. 9567]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 9567) to strengthen the educational resources of our colleges and universities and to provide financial assistance for students in postsecondary and higher education, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: *That this Act may be cited as the "Higher Education Act of 1965"*.

TITLE I—COMMUNITY SERVICE AND CONTINUING EDUCATION PROGRAMS

APPROPRIATIONS AUTHORIZED

SEC. 101. *For the purpose of assisting the people of the United States in the solution of community problems such as housing, poverty, government, recreation, employment, youth opportunities, transportation, health, and land use by enabling the Commissioner to make grants under this title to strengthen community service programs of colleges and universities, there are authorized to be appropriated \$25,000,000 for the fiscal year ending June 30, 1966, and \$50,000,000 for the fiscal year ending June 30, 1967, and for the succeeding fiscal year. For the fiscal year ending June 30, 1969, and the succeeding fiscal year, there may be appropriated, to enable the Commissioner to make such grants, only such sums as the Congress may hereafter authorize by law.*

DEFINITION OF COMMUNITY SERVICE PROGRAM

SEC. 102. For purposes of this title, the term "community service program" means an educational program, activity, or service, including a research program and a university extension or continuing education offering, which is designed to assist in the solution of community problems in rural, urban, or suburban areas, with particular emphasis on urban and suburban problems, where the institution offering such program, activity, or service determines—

(1) that the proposed program, activity, or service is not otherwise available, and

(2) that the conduct of the program or performance of the activity or service is consistent with the institution's over-all educational program and is of such a nature as is appropriate to the effective utilization of the institution's special resources and the competencies of its faculty.

Where course offerings are involved, such courses must be university extension or continuing education courses and must be—

(A) fully acceptable toward an academic degree, or

(B) of college level as determined by the institution offering such courses.

ALLOTMENTS TO STATES

SEC. 103. (a) Of the sums appropriated pursuant to section 101 for each fiscal year, the Commissioner shall allot \$25,000 each to Guam, American Samoa, the Commonwealth of Puerto Rico, and the Virgin Islands and \$100,000 to each of the other States, and he shall allot to each State an amount which bears the same ratio to the remainder of such sums as the population of the State bears to the population of all States.

(b) The amount of any State's allotment under subsection (a) for any fiscal year which the Commissioner determines will not be required for such fiscal year for carrying out the State plan (if any) approved under this title shall be available for reallocation from time to time, on such dates during such year as the Commissioner may fix, to other States in proportion to the original allotments to such States under such subsection for such year, but with such proportionate amount for any of such States being reduced to the extent it exceeds the sum the Commissioner estimates such State needs and will be able to use for such year for carrying out the State plan; and the total of such reductions shall be similarly reallocated among the States whose proportionate amounts were not so reduced. Any amount reallocated to a State under this subsection during a year from funds appropriated pursuant to section 101 shall be deemed part of its allotment under subsection (a) for such year.

(c) In accordance with regulations of the Commissioner, any State may file with him a request that a specified portion of its allotment under this title be added to the allotment of another State under this title for the purpose of meeting a portion of the Federal share of the cost of providing community service programs under this title. If it is found by the Commissioner that the programs with respect to which the request is made would meet needs of the State making the request and that use of the specified portion of such State's allotment, as requested by it, would assist in carrying out the purposes of this title, such portion of such State's allotment shall be added to the allotment of the other State under this title to be used for the purpose referred to above.

(d) *The population of a State and of all the States shall be determined by the Commissioner on the basis of the most recent satisfactory data available from the Department of Commerce.*

USES OF ALLOTTED FUNDS

SEC. 104. A State's allotment under section 103 may be used, in accordance with its State plan approved under section 105(b), to provide new, expanded, or improved community service programs.

STATE PLANS

SEC. 105. (a) Any State desiring to receive its allotment of Federal funds under this title shall designate or create a State agency or institution which has special qualifications with respect to solving community problems and which is broadly representative of institutions of higher education in the State which are competent to offer community service programs, and shall submit to the Commissioner through the agency or institution so designated a State plan. If a State desires to designate for the purposes of this section an existing State agency or institution which does not meet these requirements, it may do so if the agency or institution takes such action as may be necessary to acquire such qualifications and assure participation of such institutions, or if it designates or creates a State advisory council which meets the requirements not met by the designated agency or institution to consult with the designated agency or institution in the preparation of the State plan. A State plan submitted under this title shall be in such detail as the Commissioner deems necessary and shall—

(1) provide that the agency or institution so designated or created shall be the sole agency for administration of the plan or for supervision of the administration of the plan; and provide that such agency or institution shall consult with any State advisory council required to be created by this section with respect to policy matters arising in the administration of such plan;

(2) set forth a comprehensive, coordinated, and statewide system of community service programs under which funds paid to the State (including funds paid to an institution pursuant to section 106(c)) under its allotments under section 103 will be expended solely for community service programs which have been approved by the agency or institution administering the plan;

(3) set forth the policies and procedures to be followed in allocating Federal funds to institutions of higher education in the State, which policies and procedures shall insure that due consideration will be given—

(A) to the relative capacity and willingness of particular institutions of higher education (whether public or private) to provide effective community service programs;

(B) to the availability of and need for community service programs among the population within the State; and

(C) to the results of periodic evaluations of the programs carried out under this title in the light of information regarding current and anticipated community problems in the State;

(4) set forth policies and procedures designed to assure that Federal funds made available under this title will be so used as not to supplant State or local funds, or funds of institutions of higher

education, but to supplement and, to the extent practicable, to increase the amounts of such funds that would in the absence of such Federal funds be made available for community service programs;

(5) set forth such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the State (including such funds paid by the State or by the Commissioner to institutions of higher education) under this title; and

(6) provide for making such reports in such form and containing such information as the Commissioner may reasonably require to carry out his functions under this title, and for keeping such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports.

(b) The Commissioner shall approve any State plan and any modification thereof which complies with the provisions of subsection (a).

PAYMENTS

SEC. 106. (a) Except as provided in subsection (b), payment under this title shall be made to those State agencies and institutions which administer plans approved under section 105(b). Payments under this title from a State's allotment with respect to the cost of developing and carrying out its State plan shall equal 75 per centum of such costs for the fiscal year ending June 30, 1966, 75 per centum of such costs for the fiscal year ending June 30, 1967, and 50 per centum of such costs for each of the three succeeding fiscal years, except that no payments for any fiscal year shall be made to any State with respect to expenditures for developing and administering the State plan which exceed 5 per centum of the costs for that year for which payment under this subsection may be made to that State, or \$25,000, whichever is the greater. In determining the cost of developing and carrying out a State's plan, there shall be excluded any cost with respect to which payments were received under any other Federal program.

(b) No payments shall be made to any State from its allotments for any fiscal year unless and until the Commissioner finds that the institutions of higher education which will participate in carrying out the State plan for that year will together have available during that year for expenditure from non-Federal sources for college and university extension and continuing education programs not less than the total amount actually expended by those institutions for college and university extension and continuing education programs from such sources during the fiscal year ending June 30, 1965, plus an amount equal to not less than the non-Federal share of the costs with respect to which payment pursuant to subsection (a) is sought.

(c) Payments to a State under this title may be made in installments and in advance or by way of reimbursement with necessary adjustments on account of overpayments or underpayments, and they may be paid directly to the State or to one or more participating institutions of higher education designated for this purpose by the State, or to both.

ADMINISTRATION OF STATE PLANS

SEC. 107. (a) The Commissioner shall not finally disapprove any State plan submitted under this title, or any modification thereof, without

first affording the State agency or institution submitting the plan reasonable notice and opportunity for a hearing.

(b) Whenever the Commissioner, after reasonable notice and opportunity for hearing to the State agency or institution administering a State plan approved under section 105(b), finds that—

(1) the State plan has been so changed that it no longer complies with the provisions of section 105(a), or

(2) in the administration of the plan there is a failure to comply substantially with any such provision, the Commissioner shall notify the State agency or institution that the State will not be regarded as eligible to participate in the program under this title until he is satisfied that there is no longer any such failure to comply.

JUDICIAL REVIEW

SEC. 108. (a) If any State is dissatisfied with the Commissioner's final action with respect to the approval of its State plan submitted under section 105(a) or with his final action under section 107(b), such State may, within sixty days after notice of such action, file with the United States court of appeals for the circuit in which the State is located a petition for review of that action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Commissioner. The Commissioner thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code.

(b) The findings of fact by the Commissioner, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Commissioner to take further evidence, and the Commissioner may thereupon make new or modified findings of fact and may modify his previous action, and shall certify to the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

(c) The court shall have jurisdiction to affirm the action of the Commissioner or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

NATIONAL ADVISORY COUNCIL ON EXTENSION AND CONTINUING EDUCATION

SEC. 109. (a) The President shall, within ninety days of enactment of this title, appoint a National Advisory Council on Extension and Continuing Education (hereafter referred to as the "Advisory Council"), consisting of the Commissioner, who shall be Chairman, one representative each of the Departments of Agriculture, Commerce, Defense, Labor, Interior, State, and Housing and Urban Development, and the Office of Economic Opportunity, and of such other Federal agencies having extension education responsibilities as the President may designate, and twelve members appointed, for staggered terms and without regard to the civil service laws, by the President. Such twelve members shall, to the extent possible, include persons knowledgeable in the fields of extension and continuing education, State and local officials, and other persons having special knowledge, experience, or qualification with respect to community problems, and persons representative of the general

public. The Advisory Council shall meet at the call of the Chairman but not less often than twice a year.

(b) The Advisory Council shall advise the Commissioner in the preparation of general regulations and with respect to policy matters arising in the administration of this title, including policies and procedures governing the approval of State plans under section 105(b), and policies to eliminate duplication and to effectuate the coordination of programs under this title and other programs offering extension or continuing education activities and services.

(c) The Advisory Council shall review the administration and effectiveness of all federally supported extension and continuing education programs, including community service programs, make recommendations with respect thereto, and make annual reports commencing on March 31, 1967, of its findings and recommendations (including recommendations for changes in the provisions of this title and other Federal laws relating to extension and continuing education activities) to the Secretary and to the President. The President shall transmit each such report to the Congress together with his comments and recommendations.

(d) Members of the Advisory Council who are not regular full-time employees of the United States shall, while serving on the business of the Council, be entitled to receive compensation at rates fixed by the Secretary, but not exceeding \$100 per day, including travel time; and, while so serving away from their homes or regular places of business, members may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b-2) for persons in the Government service employed intermittently.

(e) The Secretary shall engage such technical assistance as may be required to carry out the functions of the Advisory Council, and the Secretary shall, in addition, make available to the Advisory Council such secretarial, clerical, and other assistance and such pertinent data prepared by the Department of Health, Education, and Welfare as it may require to carry out its functions.

(f) In carrying out its functions pursuant to this section, the Advisory Council may utilize the services and facilities of any agency of the Federal Government, in accordance with agreements between the Secretary and the head of such agency.

RELATIONSHIP TO OTHER PROGRAMS

SEC. 110. Nothing in this title shall modify authorities under the Act of February 23, 1917 (Smith-Hughes Vocational Education Act), as amended (20 U.S.C. 11-15, 16-28); the Vocational Education Act of 1946, as amended (20 U.S.C. 15i-15m, 15o-15q, 15aa-15jj, and 15aaa-15ggg); the Vocational Education Act of 1963 (20 U.S.C. 35-35n); title VIII of the Housing Act of 1964 (Public Law 88-560); or the Act of May 8, 1914 (Smith-Lever Act), as amended (7 U.S.C. 341-348).

LIMITATION

SEC. 111. No grant may be made under this title for any educational program, activity, or service related to sectarian instruction or religious worship, or provided by a school or department of divinity. For purposes of this section, the term "school or department of divinity" means an institution or a department or branch of an institution whose program

is specifically for the education of students to prepare them to become ministers of religion or to enter upon some other religious vocation, or to prepare them to teach theological subjects.

TITLE II—COLLEGE LIBRARY ASSISTANCE AND LIBRARY TRAINING AND RESEARCH

PART A—COLLEGE LIBRARY RESOURCES

APPROPRIATIONS AUTHORIZED

SEC. 201. There are authorized to be appropriated \$50,000,000 for the fiscal year ending June 30, 1966, and for each of the two succeeding fiscal years, to enable the Commissioner to make grants under this part to institutions of higher education to assist and encourage such institutions in the acquisition for library purposes of books, periodicals, documents, magnetic tapes, phonograph records, audiovisual materials, and other related library materials (including necessary binding). For the fiscal year ending June 30, 1969, and the succeeding fiscal year, there may be appropriated, to enable the Commissioner to make such grants, only such sums as the Congress may hereafter authorize by law.

BASIC GRANTS

SEC. 202. From 75 per centum of the sums appropriated pursuant to section 201 for any fiscal year, the Commissioner is authorized to make basic grants for the purposes set forth in that section to institutions of higher education and combinations of such institutions. The amount of a basic grant shall not exceed \$5,000 for each such institution of higher education and each branch of such institution which is located in a community different from that in which its parent institution is located, as determined in accordance with regulations of the Commissioner, and a basic grant under this subsection may be made only if the application therefor is approved by the Commissioner upon his determination that the application (whether by an individual institution or a combination of institutions)—

(a) provides satisfactory assurance that the applicant will expend during the fiscal year for which the grant is requested (from funds other than funds received under this part) for all library purposes (exclusive of construction) (1) an amount not less than the average annual amount it expended for such purposes during the two-year period ending June 30, 1965, and (2) an amount (from such other sources) equal to not less than the amount of such grant;

(b) provides satisfactory assurance that the applicant will expend during the fiscal year for which the grant is requested (from funds other than funds received under this part) for books, periodicals, documents, magnetic tapes, phonograph records, audiovisual materials, and other related materials (including necessary binding) for library purposes an amount not less than the average annual amount it expended for such materials during the two-year period ending June 30, 1965;

(c) provides for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the applicant under this section; and

(d) provides for making such reports, in such form and containing such information, as the Commissioner may require to carry out his functions under this section, and for keeping such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports.

SUPPLEMENTAL GRANTS

SEC. 203. (a) From the remainder of such 75 per centum of the sums appropriated pursuant to section 201 for any fiscal year, plus any part of such sums as the Commissioner determines will not be used for making grants under section 204, the Commissioner is authorized to make supplemental grants for the purposes set forth in section 201 to institutions of higher education and combinations of such institutions. The amount of a supplemental grant shall not exceed \$10 for each full-time student (including the full-time equivalent of the number of part-time students) enrolled in each such institution, as determined pursuant to regulations of the Commissioner. A supplemental grant may be made only upon application therefor, in such form and containing such information as the Commissioner may require, which application shall—

(1) meet the application requirements set forth in section 202 except for the matching requirement set forth in paragraph (a)(2) of that section;

(2) describe the size and quality of the library resources of the applicant in relation to its present enrollment and any expected increase in its enrollment;

(3) set forth any special circumstances which are impeding or will impede the proper development of its library resources; and

(4) provide a general description of how a supplemental grant would be used to improve the size or quality of its library resources.

(b) The Commissioner shall approve applications for supplemental grants on the basis of basic criteria prescribed in regulations and developed after consultation with the Council created under section 205. Such basic criteria shall be such as will best tend to achieve the objectives of this part and they (1) may take into consideration factors such as the size and age of the library collection and student enrollment, and (2) shall give priority to institutions in need of financial assistance for library purposes.

SPECIAL PURPOSE GRANTS

SEC. 204. (a) (1) Twenty-five per centum of the sums appropriated pursuant to section 201 for each fiscal year shall be used by the Commissioner in accordance with this subsection.

(2) Of the sums available for use under paragraph (1) sixty per centum may be used to make special grants (A) to institutions of higher education which demonstrate a special need for additional library resources and which demonstrate that such additional library resources will make a substantial contribution to the quality of their educational resources, (B) to institutions of higher education to meet special national or regional needs in the library and information sciences, and (C) to combinations of institutions of higher education which need special assistance in establishing and strengthening joint-use facilities. Grants under this section may be used only for books, periodicals, documents, magnetic tapes, phonograph records, audiovisual materials, and other related library materials (including necessary binding).

(3) Any sums available for use under paragraph (1) which are not used for the purposes of paragraph (2) shall be used in the manner prescribed by the first sentence of section 203(a).

(b) Grants pursuant to paragraph (2) shall be made upon application providing satisfactory assurance that (1) the applicant (or applicants jointly in the case of a combination of institutions) will expend during the fiscal year for which the grant is requested (from funds other than funds received under this part) for the same purpose as such grant an amount from such other sources equal to not less than 33⅓ per centum of such grant, and (2) in addition each such applicant will expend during such fiscal year (from such other sources) for all library purposes (exclusive of construction) an amount not less than the average annual amount it expended for such purposes during the two-year period ending June 30, 1965.

ADVISORY COUNCIL ON COLLEGE LIBRARY RESOURCES

SEC. 205. (a) The Commissioner shall establish in the Office of Education an Advisory Council on College Library Resources consisting of the Commissioner, who shall be Chairman, and eight members appointed, without regard to the civil service laws, by the Commissioner with the approval of the Secretary.

(b) The Advisory Council shall advise the Commissioner with respect to establishing criteria for the making of supplemental grants under section 203 and the making of special purpose grants under section 204. The Commissioner may appoint such special advisory and technical experts and consultants as may be useful in carrying out the functions of the Advisory Council.

(c) Members of the Advisory Council, while serving on business of the Advisory Council, shall receive compensation at a rate to be fixed by the Secretary, but not exceeding \$100 per day, including travel time; and, while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b-2) for persons in the Government service employed intermittently.

ACCREDITATION REQUIREMENT FOR PURPOSES OF THIS PART

SEC. 206. For the purposes of this part, an educational institution shall be deemed to have been accredited by a nationally recognized accrediting agency or association if the Commissioner determines that there is satisfactory assurance that upon acquisition of the library resources with respect to which assistance under this part is sought, or upon acquisition of those resources and other library resources planned to be acquired within a reasonable time, the institution will meet the accreditation standards of such agency or association.

LIMITATION

SEC. 207. No grant may be made under this part for books, periodicals, documents, or other related materials to be used for sectarian instruction or religious worship, or primarily in connection with any part of the program of a school or department of divinity. For purposes of this section, the term "school or department of divinity" means an institution

or a department or branch of an institution whose program is specifically for the education of students to prepare them to become ministers of religion or to enter upon some other religious vocation, or to prepare them to teach theological subjects.

CONSULTATION WITH STATE AGENCY

SEC. 208. Each institution of higher education which receives a grant under this part shall periodically inform the State agency (if any) concerned with the educational activities of all institutions of higher education in the State in which such institution is located, of its activities under this part.

PART B—LIBRARY TRAINING AND RESEARCH

APPROPRIATIONS AUTHORIZED

SEC. 221. There are authorized to be appropriated \$15,000,000 for the fiscal year ending June 30, 1966, and for each of the two succeeding fiscal years, for the purpose of carrying out this part. For the fiscal year ending June 30, 1969, and the succeeding fiscal year, there may be appropriated for such purpose only such sums as the Congress may hereafter authorize by law.

DEFINITION OF "LIBRARIANSHIP"

SEC. 222. For the purposes of this part the term "librarianship" means the principles and practices of the library and information sciences, including the acquisition, organization, storage, retrieval, and dissemination of information, and reference and research use of library and other information resources.

GRANTS FOR TRAINING IN LIBRARIANSHIP

SEC. 223. (a) The Commissioner is authorized to make grants to institutions of higher education to assist them in training persons in librarianship. Such grants may be used by such institutions to assist in covering the cost of courses of training or study for such persons, and for establishing and maintaining fellowships or traineeships with stipends (including allowances for traveling, subsistence, and other expenses) for fellows and others undergoing training and their dependents not in excess of such maximum amounts as may be prescribed by the Commissioner.

(b) The Commissioner may make a grant to an institution of higher education only upon application by the institution and only upon his finding that such program will substantially further the objective of increasing the opportunities throughout the Nation for training in librarianship.

RESEARCH AND DEMONSTRATIONS RELATING TO LIBRARIES AND THE TRAINING OF LIBRARY PERSONNEL

SEC. 224. (a) The Commissioner is authorized to make grants to institutions of higher education and other public or private agencies, institutions, and organizations, for research and demonstration projects relating to the improvement of libraries or the improvement of training in

librarianship, including the development of new techniques, systems, and equipment for processing, storing, and distributing information, and for the dissemination of information derived from such research and demonstrations, and, without regard to section 3709 of the Revised Statutes (41 U.S.C. 5), to provide by contracts with them for the conduct of such activities; except that no such grant may be made to a private agency, organization, or institution other than a nonprofit one.

(b) The Commissioner is authorized to appoint a special advisory committee of not more than nine members to advise him on matters of general policy concerning research and demonstration projects relating to the improvement of libraries and the improvement of training in librarianship, or concerning special services necessary thereto or special problems involved therein.

(c) Members of the committee appointed under this section who are not regular full-time employees of the United States shall, while serving on the business of the committee, be entitled to receive compensation at rates fixed by the Commissioner, but not in excess of \$100 per diem, including travel time; and they may, while so serving away from their homes or regular places of business, be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b-2) for persons in the Government service employed intermittently.

REPEALER

SEC. 225. Effective July 1, 1967, section 1101 of the National Defense Education Act of 1958 is amended by adding the word "or" at the end of clause (2), by striking out clause (3), and by renumbering clause (4) as clause (3).

PART C—STRENGTHENING COLLEGE AND RESEARCH LIBRARY RESOURCES

APPROPRIATIONS AUTHORIZED

SEC. 231. There are hereby authorized to be appropriated \$5,000,000 for the fiscal year ending June 30, 1966, \$6,315,000 for the fiscal year ending June 30, 1967, and \$7,770,000 for the fiscal year ending June 30, 1968, to enable the Commissioner to transfer funds to the Librarian of Congress for the purpose of—

(1) acquiring, so far as possible, all library materials currently published throughout the world which are of value to scholarship; and

(2) providing catalog information for these materials promptly after receipt, and distributing bibliographic information by printing catalog cards and by other means, and enabling the Library of Congress to use for exchange and other purposes such of these materials as are not needed for its own collections.

For the fiscal year ending June 30, 1969, and the succeeding fiscal year, there may be appropriated, to enable the Commissioner to transfer funds to the Librarian of Congress for such purpose, only such sums as the Congress may hereafter authorize by law.

TITLE III—STRENGTHENING DEVELOPING INSTITUTIONS

STATEMENT OF PURPOSE AND APPROPRIATIONS AUTHORIZED

SEC. 301. (a) The purpose of this title is to assist in raising the academic quality of colleges which have the desire and potential to make a substantial contribution to the higher education resources of our Nation but which for financial and other reasons are struggling for survival and are isolated from the main currents of academic life, and to do so by enabling the Commissioner to establish a national teaching fellow program and to encourage and assist in the establishment of cooperative arrangements under which these colleges may draw on the talent and experience of our finest colleges and universities, and on the educational resources of business and industry, in their effort to improve their academic quality.

(b)(1) There is authorized to be appropriated the sum of \$55,000,000 for the fiscal year ending June 30, 1966, to carry out the provisions of this title.

(2) Of the sums appropriated pursuant to this section for any fiscal year, 78 per centum shall be available only for carrying out the provisions of this title with respect to developing institutions which plan to award one or more bachelor's degrees during such year.

(3) The remainder of the sums so appropriated shall be available only for carrying out the provisions of this title with respect to developing institutions which do not plan to award such a degree during such year.

DEFINITION OF "DEVELOPING INSTITUTION"

SEC. 302. As used in this title the term "developing institution" means a public or nonprofit educational institution in any State which—

(a) admits as regular students only persons having a certificate of graduation from a secondary school, or the recognized equivalent of such certificate;

(b) is legally authorized to provide, and provides within the State, an educational program for which it awards a bachelor's degree, or provides not less than a two-year program which is acceptable for full credit toward such a degree, or offers a two-year program in engineering, mathematics, or the physical or biological sciences which is designed to prepare the student to work as a technician and at a semiprofessional level in engineering, scientific, or other technological fields which require the understanding and application of basic engineering, scientific, or mathematical principles of knowledge;

(c) is accredited by a nationally recognized accrediting agency or association determined by the Commissioner to be reliable authority as to the quality of training offered or is, according to such an agency or association, making reasonable progress toward accreditation;

(d) has met the requirements of clauses (a) and (b) during the five academic years preceding the academic year for which it seeks assistance under this title;

(e) is making a reasonable effort to improve the quality of its teaching and administrative staffs and of its student services;

(f) is, for financial or other reasons, struggling for survival and is isolated from the main currents of academic life;

(g) meets such other requirements as the Commissioner may prescribe by regulation; and

(h) is not an institution, or department or branch of an institution, whose program is specifically for the education of students to prepare them to become ministers of religion or to enter upon some other religious vocation or to prepare them to teach theological subjects.

ADVISORY COUNCIL ON DEVELOPING INSTITUTIONS

SEC. 303. (a) The Commissioner shall establish in the Office of Education an Advisory Council on Developing Institutions (hereinafter in this title referred to as the "Council"), consisting of the Commissioner who shall be Chairman, one representative each of such Federal agencies having responsibilities with respect to developing institutions as the Commissioner may designate, and eight members appointed, without regard to the civil service laws, by the Commissioner with the approval of the Secretary.

(b) The Council shall advise the Commissioner with respect to policy matters arising in the administration of this title and in particular shall assist the Commissioner in identifying those developing institutions through which the purposes of this title can best be achieved and in establishing priorities for use in approving applications under this title. The Commissioner may appoint such special advisory and technical experts and consultants as may be useful in carrying out the functions of the Council.

(c) Members of the Council who are not otherwise full-time employees of the United States shall, while serving on business of the Council, receive compensation at a rate to be fixed by the Secretary, but not exceeding \$100 per day, including travel time; and, while so serving away from their homes or regular places of business, members may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b-2) for persons in the Government service employed intermittently.

GRANTS FOR COOPERATIVE AGREEMENTS TO STRENGTHEN DEVELOPING INSTITUTIONS

SEC. 304. (a) The Commissioner is authorized to make grants to developing institutions and other colleges and universities to pay part of the cost of planning, developing, and carrying out cooperative arrangements which show promise as effective measures for strengthening the academic programs and the administration of developing institutions. Such cooperative arrangements may be between developing institutions, between developing institutions and other colleges and universities, and between developing institutions and organizations, agencies, and business entities. Grants under this section may be used for projects and activities such as—

(1) exchange of faculty or students, including arrangements for bringing visiting scholars to developing institutions;

(2) faculty and administration improvement programs utilizing training, education (including fellowships leading to advanced degrees), internships, research participation, and other means;

(3) introduction of new curriculums and curricular materials;

(4) development and operation of cooperative education programs involving alternate periods of academic study and business or public employment;

(5) joint use of facilities such as libraries or laboratories, including necessary books, materials, and equipment; and

(6) other arrangements which offer promise of strengthening the academic programs and the administration of developing institutions.

(b) A grant may be made under this section only upon application to the Commissioner at such time or times and containing such information as he deems necessary. The Commissioner shall not approve an application unless it—

(1) sets forth a program for carrying out one or more projects or activities which meet the requirements of subsection (a) and provides for such methods of administration as are necessary for the proper and efficient operation of the program;

(2) sets forth policies and procedures which assure that Federal funds made available under this section for any fiscal year will be so used as to supplement and, to the extent practical, increase the level of funds that would, in the absence of such Federal funds, be made available for purposes which meet the requirements of subsection (a), and in no case supplant such funds;

(3) provides for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the applicant under this section; and

(4) provides for making such reports, in such form and containing such information, as the Commissioner may require to carry out his functions under this title, and for keeping such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports.

(c) The Commissioner shall, after consultation with the Council, establish criteria as to eligible expenditures for which grants made under this section may be used, which criteria shall be so designed as to prevent the use of such grants for expenditures not necessary to the achievement of the purposes of this title.

NATIONAL TEACHING FELLOWSHIPS

SEC. 305. (a) The Commissioner is authorized to award fellowships under this section to highly qualified graduate students and junior members of the faculty of colleges and universities, to encourage such individuals to teach at developing institutions. The Commissioner shall award fellowships to individuals for teaching at developing institutions only upon application by an institution approved for this purpose by the Commissioner and only upon a finding by the Commissioner that the program of teaching set forth in the application is reasonable in the light of the qualifications of the teaching fellow and of the educational needs of the applicant.

(b) Fellowships may be awarded under this section for such period of teaching as the Commissioner may determine, but such period shall not exceed two academic years. Each person awarded a fellowship under the provisions of this section shall receive a stipend for each academic year of teaching of not more than \$6,500 as determined by the Commissioner upon the advice of the Council, plus an additional amount of \$400 for each such year on account of each of his dependents.

TITLE IV—STUDENT ASSISTANCE

PART A—EDUCATIONAL OPPORTUNITY GRANTS

STATEMENT OF PURPOSE AND APPROPRIATIONS AUTHORIZED

SEC. 401. (a) It is the purpose of this part to provide, through institutions of higher education, educational opportunity grants to assist in making available the benefits of higher education to qualified high school graduates of exceptional financial need, who for lack of financial means of their own or of their families would be unable to obtain such benefits without such aid.

(b) There are hereby authorized to be appropriated \$70,000,000 for the fiscal year ending June 30, 1966, and for each of the two succeeding fiscal years, to enable the Commissioner to make payments to institutions of higher education that have agreements with him entered into under section 407, for use by such institutions for payments to undergraduate students for the initial academic year of educational opportunity grants awarded to them under this part. For the fiscal year ending June 30, 1969 and for the succeeding fiscal year, there may be appropriated, to carry out the first sentence of this subsection, only such sums as the Congress may hereafter authorize by law. There are further authorized to be appropriated such sums as may be necessary for payment to such institutions for use by them for making educational opportunity grants under this part to undergraduate students for academic years other than the initial year of their educational opportunity grants; but no appropriation may be made pursuant to this sentence for any fiscal year beginning more than three years after the last fiscal year for which an appropriation is authorized under the first sentence. Sums appropriated pursuant to this subsection for any fiscal year shall be available for payment to institutions until the close of the fiscal year succeeding the fiscal year for which they were appropriated. For the purposes of this subsection, payment for the first year of an educational opportunity grant shall not be considered as an initial-year payment if the educational opportunity grant was awarded for the continuing education of a student who had been previously awarded an educational opportunity grant under this part (whether by another institution or otherwise) and had received payment for any year of that educational opportunity grant.

AMOUNT OF EDUCATIONAL OPPORTUNITY GRANT—ANNUAL DETERMINATION

SEC. 402. From the funds received by it for such purpose under this part, an institution of higher education which awards an educational opportunity grant to a student under this part shall, for the duration of the grant, pay to that student for each academic year during which he is in need of grant aid to pursue a course of study at the institution, an amount determined by the institution for such student with respect to that year, which amount shall not exceed—

(1) the lesser of \$800 or one-half of the sum of the amount of student financial aid (including assistance under this title, but excluding assistance from work-study programs) provided such student by such institution and any assistance provided such student under any scholarship program established by a State or a private institution or organization, as determined in accordance with regulation of the Commissioner, or

(2) in the case of a student who during the preceding academic year at an institution of higher education received grades placing him in the upper half of his class, the amount determined under paragraph (1), plus \$200.

If the amount of the payment determined under the preceding sentence for an academic year is less than \$200 for a student, no payment shall be made under this title to that student for that year. The Commissioner shall, subject to the foregoing limitations, prescribe for the guidance of participating institutions basic criteria or schedules (or both) for the determination of the amount of any such educational opportunity grant, taking into account the objective of limiting grant aid under this part to students of exceptional financial need and such other factors, including the number of dependents in the family, as the Commissioner may deem relevant.

DURATION OF EDUCATIONAL OPPORTUNITY GRANT

SEC. 403. The duration of an educational opportunity grant awarded under this part shall be the period required for completion by the recipient of his undergraduate course of study at the institution of higher education from which he received the educational opportunity grant, except that such period shall not exceed four academic years less any such period with respect to which the recipient has previously received payments under this part pursuant to a prior educational opportunity grant (whether made by the same or another institution). An educational opportunity grant awarded under this part shall entitle the recipient to payments only if he (1) is maintaining satisfactory progress in the course of study which he is pursuing, according to the regularly prescribed standards and practices of the institution from which he received the grant, and (2) is devoting essentially full time to that course of study, during the academic year, in attendance at that institution. Failure to be in attendance at the institution during vacation periods or periods of military service, or during other periods during which the Commissioner determines in accordance with regulations that there is good cause for his nonattendance (during which periods he shall receive no payments) shall not be deemed contrary to clause (2).

SELECTION OF RECIPIENTS OF EDUCATIONAL OPPORTUNITY GRANTS

SEC. 404. (a) An individual shall be eligible for the award of an educational opportunity grant under this part at any institution of higher education which has made an agreement with the Commissioner pursuant to section 407 (which institution is hereinafter in this part referred to as an "eligible institution"), if the individual makes application at the time and in the manner prescribed by that institution.

(b) From among those eligible for educational opportunity grants from an institution of higher education for each fiscal year, the institution shall, in accordance with the provisions of its agreement with the Commissioner under section 407 and within the amount allocated to the institution for that purpose for that year under section 406, select individuals who are to be awarded such grants and determine, pursuant to section 402, the amounts to be paid to them. An institution shall not award an educational opportunity grant to an individual unless it determines that—

(1) he has been accepted for enrollment as a full-time student at such institution or, in the case of a student already attending such

institution, is in good standing and in full-time attendance there as an undergraduate student;

(2) he shows evidence of academic or creative promise and capability of maintaining good standing in his course of study;

(3) he is of exceptional financial need; and

(4) he would not, but for an educational opportunity grant, be financially able to pursue a course of study at such institution of higher education.

ALLOTMENT OF EDUCATIONAL OPPORTUNITY GRANT FUNDS AMONG STATES

SEC. 405. (a)(1) From the sums appropriated pursuant to the first sentence of section 401(b) for any fiscal year, the Commissioner shall allot to each State an amount which bears the same ratio to the amount so appropriated as the number of persons enrolled on a full-time basis in institutions of higher education in such State bears to the total number of persons enrolled on a full-time basis in institutions of higher education in all the States. The number of persons enrolled on a full-time basis in institutions of higher education for purposes of this section shall be determined by the Commissioner for the most recent year for which satisfactory data are available to him.

(2) If the total of the sums determined by the Commissioner to be required under section 406 for any fiscal year for eligible institutions in a State is less than the amount of the allotment to that State under paragraph (1) for that year, the Commissioner may reallocate the remaining amount from time to time, on such date or dates as he may fix, to other States in such manner as he determines will best assist in achieving the purposes of this part.

(b) Sums appropriated pursuant to the third sentence of section 401(b) for any fiscal year shall be allotted or reallocated among the States in such manner as the Commissioner determines to be necessary to carry out the purposes for which such sums are appropriated.

ALLOCATION OF ALLOTTED FUNDS TO INSTITUTIONS

SEC. 406. (a) The Commissioner shall from time to time set dates by which eligible institutions in any State must file applications for allocation, to such institutions, of educational opportunity grant funds from the allotment to that State (including any reallocation thereto) for any fiscal year pursuant to section 405(a), to be used for the purposes specified in the first sentence of section 401(b). Such allocations shall be made in accordance with equitable criteria which the Commissioner shall establish and which shall be designed to achieve such distribution of such funds among eligible institutions within a State as will most effectively carry out the purposes of this part.

(b) The Commissioner shall further, in accordance with regulations, allocate to eligible institutions, in any State, from funds apportioned or reapportioned pursuant to section 405(b), funds to be used for the educational opportunity grants specified in the third sentence of section 401(b).

(c) Payment shall be made from allocations under this section to institutions as needed.

AGREEMENTS WITH INSTITUTIONS—CONDITIONS

SEC. 407. (a) An institution of higher education which desires to obtain funds for educational opportunity grants under this part, shall enter into an agreement with the Commissioner. Such agreement shall—

(1) provide that funds received by the institution under this part will be used by it only for the purposes specified in, and in accordance with, the provisions of this part;

(2) provide that in determining whether an individual meets the requirements of section 404(b)(3) the institution will (A) consider the source of such individual's income and that of any individual or individuals upon whom the student relies primarily for support, and (B) make an appropriate review of the assets of the student and of such individuals;

(3) provide that the institution, in cooperation with other institutions of higher education where appropriate, will make vigorous efforts to identify qualified youths of exceptional financial need and to encourage them to continue their education beyond secondary school through programs and activities such as—

(A) establishing or strengthening close working relationships with secondary-school principals and guidance and counseling personnel with a view toward motivating students to complete secondary school and pursue post-secondary-school educational opportunities, and

(B) making, to the extent feasible, conditional commitments for educational opportunity grants to qualified secondary school students with special emphasis on students enrolled in grade 11 or lower grades who show evidences of academic or creative promise;

(4) provide assurance that the institution will continue to spend in its own scholarship and student-aid program, from sources other than funds received under this part, not less than the average expenditure per year made for that purpose during the most recent period of three fiscal years preceding the effective date of the agreement;

(5) include provisions designed to make educational opportunity grants under this part reasonably available (to the extent of available funds) to all eligible students in the institution in need thereof; and

(6) include such other provisions as may be necessary to protect the financial interest of the United States and promote the purposes of this part.

(b)(1) An institution, which has in effect an agreement for Federal capital contributions for a student loan fund pursuant to title II of the National Defense Education Act of 1958, may use, as an additional Federal capital contribution for the purposes of such loan fund, not to exceed 25 per centum of the funds paid to it for any fiscal year ending prior to July 1, 1970, for the purpose set forth in section 401(b). The requirement in section 204(2)(B) of such Act shall not apply to such a Federal capital contribution.

(2) For the purpose of making payments from amounts appropriated pursuant to the third sentence of section 401(b), any institution electing for any fiscal year to use an amount of its payment as a Federal capital contribution pursuant to paragraph (1) shall be paid an equal amount for each of the succeeding three fiscal years from such amounts appropriated pursuant to such third sentence, if the amount so paid to the

institution for each such year is used by such institution as such a Federal capital contribution.

CONTRACTS TO ENCOURAGE FULL UTILIZATION OF EDUCATIONAL TALENT

SEC. 408. (a) To assist in achieving the purposes of this part the Commissioner is authorized (without regard to section 3709 of the Revised Statutes (41 U.S.C. 5)), to enter into contracts, not to exceed \$100,000 per year, with State and local educational agencies and other public or non-profit organizations and institutions for the purpose of—

(1) identifying qualified youths of exceptional financial need and encouraging them to complete secondary school and undertake postsecondary educational training,

(2) publicizing existing forms of student financial aid, including aid furnished under this part, or

(3) encouraging secondary-school or college dropouts of demonstrated aptitude to reenter educational programs, including post-secondary-school programs.

(b) There are hereby authorized to be appropriated such sums as may be necessary to carry out this section.

DEFINITION OF "ACADEMIC YEAR"

SEC. 409. As used in this part, the term "academic year" means an academic year or its equivalent as defined in regulations of the Commissioner.

PART B—FEDERAL, STATE, AND PRIVATE PROGRAMS OF LOW-INTEREST INSURED LOANS TO STUDENTS IN INSTITUTIONS OF HIGHER EDUCATION

STATEMENT OF PURPOSE AND APPROPRIATIONS AUTHORIZED

SEC. 421. (a) The purpose of this part is to enable the Commissioner (1) to encourage States and nonprofit private institutions and organizations to establish adequate loan insurance programs for students in eligible institutions (as defined in section 435), (2) to provide a Federal program of student loan insurance for students who do not have reasonable access to a State or private nonprofit program of student loan insurance covered by an agreement under section 428(b), and (3) to pay a portion of the interest on loans to qualified students which are made by a State under a direct loan program meeting the requirements of section 428(a)(1)(B), or which are insured under this part or under a program of a State or of a nonprofit private institution or organization which meets the requirements of section 428(a)(1)(C).

(b) For the purpose of carrying out this part—

(1) there are authorized to be appropriated to the student loan insurance fund (established by section 431) (A) the sum of \$1,000,000, and (B) such further sums, if any, as may become necessary for the adequacy of the student loan insurance fund,

(2) there are authorized to be appropriated, for payments under section 428 with respect to interest on student loans, such sums for the fiscal year ending June 30, 1966, and succeeding fiscal years, as may be required therefor, and

(3) there is authorized to be appropriated the sum of \$17,500,000 for making advances pursuant to section 422 for the reserve funds of State and nonprofit private student loan insurance programs.

Sums appropriated under clauses (1) and (2) of this subsection shall remain available until expended, and sums appropriated under clause (3) of this subsection shall remain available for advances under section 422 until the close of the fiscal year ending June 30, 1968.

ADVANCES FOR RESERVE FUNDS OF STATE AND NONPROFIT
PRIVATE LOAN INSURANCE PROGRAMS

SEC. 422. (a)(1) From the sums appropriated pursuant to clause (3) of section 421(b), the Commissioner is authorized to make advances to any State with which he has made an agreement pursuant to section 428(b) for the purpose of helping to establish or strengthen the reserve fund of the student loan insurance program covered by that agreement. If for any of the fiscal years ending June 30, 1966, June 30, 1967, or June 30, 1968, a State does not have a student loan insurance program covered by an agreement made pursuant to section 428(b), and the Commissioner determines after consultation with the chief executive officer of that State that there is no reasonable likelihood that the State will have such a student loan insurance program for such year, the Commissioner may make advances for such year for the same purpose to one or more nonprofit private institutions or organizations with which he has made an agreement pursuant to section 428(b) in order to enable students in that State to participate in a program of student loan insurance covered by such an agreement. The Commissioner may make advances under this subsection both to a State program (with which he has such an agreement) and to one or more nonprofit private institutions or organizations (with which he has such an agreement) in that State if he determines that such advances are necessary in order that students in each eligible institution have access through such institution to a student loan insurance program which meets the requirements of section 428(b)(1).

(2) Advances pursuant to this subsection shall be upon such terms and conditions (including conditions relating to the time or times of payment) consistent with the requirements of section 428(b) as the Commissioner determines will best carry out the purposes of this section. Advances made by the Commissioner under this subsection shall be repaid within such period as the Commissioner may deem to be appropriate in each case in the light of the maturity and solvency of the reserve fund for which the advance was made.

(b) The total of the advances to any State pursuant to subsection (a) may not exceed an amount which bears the same ratio to $2\frac{1}{2}$ per centum of \$700,000,000 as the population of that State aged eighteen to twenty-two, inclusive, bears to the total population of all the States aged eighteen to twenty-two, inclusive. If the amount so determined for any State, however, is less than \$25,000, it shall be increased to \$25,000 and the total of the increases thereby required shall be derived by proportionately reducing (but not below \$25,000) the amount so determined for each of the remaining States. Advances to nonprofit private institutions and organizations pursuant to subsection (a) may be in such amounts as the Commissioner determines will best achieve the purposes for which they are made, except that the sum of (1) advances to such institutions and organizations for the benefit of students in any State plus (2) the amounts advanced to such State, may not exceed the maximum amount which may be advanced to

that State pursuant to the first two sentences of this subsection. For the purposes of this subsection, the population aged eighteen to twenty-two, inclusive, of each State and of all the States shall be determined by the Commissioner on the basis of the most recent satisfactory data available to him.

EFFECT OF ADEQUATE NON-FEDERAL PROGRAMS

SEC. 423. The Commissioner shall not issue certificates of insurance under section 429 to lenders in a State if he determines that every eligible institution has reasonable access in that State to a State or private non-profit student loan insurance program which is covered by an agreement under section 428(b).

SCOPE AND DURATION OF FEDERAL LOAN INSURANCE PROGRAM

SEC. 424. (a) The total principal amount of new loans made and installments paid pursuant to lines of credit (as defined in section 435) to students covered by Federal loan insurance under this part shall not exceed \$700,000,000 in the fiscal year ending June 30, 1966, \$1,000,000,000 in the fiscal year ending June 30, 1967, and \$1,400,000,000 in the fiscal year ending June 30, 1968. Thereafter, Federal loan insurance pursuant to this part may be granted only for loans made (or for loan installments paid pursuant to lines of credit) to enable students, who have obtained prior loans insured under this part, to continue or complete their educational program; but no insurance may be granted for any loan made or installment paid after June 30, 1972.

(b) The Commissioner may, if he finds it necessary to do so in order to assure an equitable distribution of the benefits of this part, assign, within the maximum amounts specified in subsection (a), Federal loan insurance quotas applicable to eligible lenders, or to States or areas, and may from time to time reassign unused portions of these quotas.

LIMITATIONS ON INDIVIDUAL FEDERALLY INSURED LOANS AND ON FEDERAL LOAN INSURANCE

SEC. 425. (a) (1) The total of the loans made to a student in any academic year or its equivalent (as determined under regulations of the Commissioner) which may be covered by Federal loan insurance under this part may not exceed \$1,500 in the case of a graduate or professional student (as defined in regulations of the Commissioner), or \$1,000 in the case of any other student. The aggregate insured unpaid principal amount of all such insured loans made to any student shall not at any time exceed \$7,500 in the case of any graduate or professional student (as defined in regulations of the Commissioner, and including any such insured loans made to such person before he became a graduate or professional student), or \$5,000 in the case of any other student. The annual insurable limit per student shall not be deemed to be exceeded by a line of credit under which actual payments by the lender to the borrower will not be made in any year in excess of the annual limit.

(2) If in any academic year or its equivalent a student receives a loan which is insured by the Commissioner under this part, no loan to that student in that year may be made or insured by the Commissioner under the National Vocational Student Loan Insurance Act of 1965; and if in any academic year or its equivalent a student receives a loan which is made or insured by the Commissioner under the National Vocational

Student Loan Insurance Act of 1965, no loan to that student in that year may be insured by the Commissioner under this part.

(b) The insurance liability on any loan insured by the Commissioner under this part shall be 100 per centum of the unpaid balance of the principal amount of the loan. Such insurance liability shall not include liability for interest whether or not that interest has been added to the principal amount of the loan.

SOURCES OF FUNDS

SEC. 426. Loans made by eligible lenders in accordance with this part shall be insurable by the Commissioner whether made from funds fully owned by the lender or from funds held by the lender in a trust or similar capacity and available for such loans.

ELIGIBILITY OF STUDENT BORROWERS AND TERMS OF STUDENT LOANS

SEC. 427. (a) A loan by an eligible lender shall be insurable by the Commissioner under the provisions of this part only if—

(1) made to a student who (A) has been accepted for enrollment at an eligible institution or, in the case of a student already attending such institution, is in good standing there as determined by the institution, and (B) is carrying at least one-half of the normal full-time workload as determined by the institution, and (C) has provided the lender with a statement of the institution which sets forth a schedule of the tuition and fees applicable to that student and its estimate of the cost of board and room for such a student; and

(2) evidenced by a note or other written agreement which—

(A) is made without security and without endorsement, except that if the borrower is a minor and such note or other written agreement executed by him would not, under the applicable law, create a binding obligation, endorsement may be required,

(B) provides for repayment (except as provided in subsection (c)) of the principal amount of the loan in installments over a period of not less than five years (unless sooner repaid) nor more than ten years beginning not earlier than nine months nor later than one year after the date on which the student ceases to carry at an eligible institution at least one-half the normal full-time academic workload as determined by the institution, except (i) as provided in clause (C) below, (ii) that the period of the loan may not exceed fifteen years from the execution of the note or written agreement evidencing it and (iii) that the note or other written instrument may contain such provisions relating to repayment in the event of default in the payment of interest or in the payment of the cost of insurance premiums, or other default by the borrower, as may be authorized by regulations of the Commissioner in effect at the time the loan is made,

(C) provides that periodic installments of principal need not be paid, but interest shall accrue and be paid, during any period (i) during which the borrower is pursuing a full-time course of study at an institution of higher education or at a comparable institution outside the States approved for this purpose by the Commissioner, (ii) not in excess of three years, during which the borrower is a member of the Armed Forces of the United

States, or (iii) not in excess of three years during which the borrower is in service as a volunteer under the Peace Corps Act, and any such period shall not be included in determining the ten-year period or the fifteen-year period provided in clause (B) above,

(D) provides for interest on the unpaid principal balance of the loan at a yearly rate, not exceeding the applicable maximum rate prescribed and defined by the Secretary (within the limits set forth in subsection (b)) on a national, regional, or other appropriate basis, which interest shall be payable in installments over the period of the loan except that, if provided in the note or other written agreement, any interest payable by the student may be deferred until not later than the date upon which repayment of the first installment of principal falls due, in which case interest that has so accrued during that period may be added on that date to the principal (but without thereby increasing the insurance liability under this part),

(E) provides that the lender will not collect or attempt to collect from the borrower any portion of the interest on the note which is payable by the Commissioner under this part,

(F) entitles the student borrower to accelerate without penalty repayment of the whole or any part of the loan, and

(G) contains such other terms and conditions, consistent with the provisions of this part and with the regulations issued by the Commissioner pursuant to this part, as may be agreed upon by the parties to such loan, including, if agreed upon, a provision requiring the borrower to pay to the lender, in addition to principal and interest, amounts equal to the insurance premiums payable by the lender to the Commissioner with respect to such loan.

(b) No maximum rate of interest prescribed and defined by the Secretary for the purposes of clause (2)(D) of subsection (a) may exceed 6 per centum per annum on the unpaid principal balance of the loan, except that under circumstances which threaten to impede the carrying out of the purposes of this part, one or more of such maximum rates of interest may be as high as 7 per centum per annum on the unpaid principal balance of the loan.

(c) The total of the payments by a borrower during any year of any repayment period with respect to the aggregate amount of all loans to that borrower which are insured by the Commissioner under this part shall not be less than \$360 or the balance of all of such loans (together with interest thereon), whichever amount is less.

FEDERAL PAYMENTS TO REDUCE STUDENT INTEREST COSTS

SEC. 428. (a)(1) Each student who has received a loan for study at an eligible institution—

(A) which is insured by the Commissioner under this part;

(B) which was made under a State student loan program (meeting criteria prescribed by the Commissioner), and which was contracted for, and paid to the student, within the period specified by paragraph (4); or

(C) which is insured under a program of a State or of a nonprofit private institution or organization, which was contracted for, and

paid to the student, within the period specified in paragraph (4), and which—

(i) in the case of a loan insured prior to July 1, 1967, was made by an eligible lender and is insured under a program which meets the requirements of subparagraph (E) of subsection (b)(1) and provides that repayment of such loan shall be in installments beginning not earlier than sixty days after the student ceases to pursue a course of study (as described in subparagraph (D) of subsection (b)(1)) at an eligible institution, or

(ii) in the case of a loan insured after June 30, 1967, is insured under a program covered by an agreement made pursuant to subsection (b),

and whose adjusted family income is less than \$15,000 at the time of execution of the note or written agreement evidencing such loan, shall be entitled to have paid on his behalf and for his account to the holder of the loan, over the period of the loan, a portion of the interest on the loan. For the purposes of this paragraph, the adjusted family income of a student shall be determined pursuant to regulations of the Commissioner in effect at the time of the execution of the note or written agreement evidencing the loan. Such regulations shall provide for taking into account such factors, including family size, as the Commissioner deems appropriate. In the absence of fraud by the lender, such determination of the adjusted family income of a student shall be final insofar as it concerns the obligation of the Commissioner to pay the holder of a loan a portion of the interest on the loan.

(2) The portion of the interest on a loan which a student is entitled to have paid on his behalf and for his account to the holder of the loan pursuant to paragraph (1) shall be equal to the total amount of the interest on the unpaid principal amount of the loan which accrues prior to the beginning of the repayment period of the loan, and 3 per centum per annum of the unpaid principal amount of the loan (excluding interest which has been added to principal) thereafter; but such portion of the interest on a loan shall not exceed, for any period, the amount of the interest on that loan which is payable by the student after taking into consideration the amount of any interest on that loan which the student is entitled to have paid on his behalf for that period under any State or private loan insurance program. The holder of a loan with respect to which payments are required to be made under this section shall be deemed to have a contractual right, as against the United States, to receive from the Commissioner the portion of interest which has been so determined. The Commissioner shall pay this portion of the interest to the holder of the loan on behalf of and for the account of the borrower at such times as may be specified in regulations in force when the applicable agreement entered into pursuant to subsection (b) was made, or if the loan was made by a State or is insured under a program which is not covered by such an agreement, at such times as may be specified in regulations in force at the time the loan was paid to the student.

(3) Each holder of a loan with respect to which payments of interest are required to be made by the Commissioner shall submit to the Commissioner, at such time or times and in such manner as he may prescribe, statements containing such information as may be required by or pursuant to regulation for the purpose of enabling the Commissioner to determine the amount of the payment which he must make with respect to that loan.

(4) The period referred to in subparagraphs (B) and (C) of paragraph (1) of this subsection shall begin on the date of enactment of this Act and end at the close of June 30, 1968, except that, in the case of a loan made or insured under a student loan or loan insurance program to enable a student who has obtained a prior loan made or insured under such program to continue his educational program, such period shall end at the close of June 30, 1972.

(5) No payment may be made under this section with respect to the interest on a loan made from a student loan fund established under title II of the National Defense Education Act of 1958.

(6) In no event shall interest payments with respect to the same student loan be made under both this section and under section 9 of the National Vocational Student Loan Insurance Act of 1965.

(b) (1) Any State or any nonprofit private institution or organization may enter into an agreement with the Commissioner for the purpose of entitling students who receive loans which are insured under a student loan insurance program of that State, institution, or organization to have made on their behalf the payments provided for in subsection (a) if the Commissioner determines that the student loan insurance program—

(A) authorizes the insurance of not less than \$1,000 nor more than \$1,500 in loans to any individual student in any academic year or its equivalent (as determined under regulations of the Commissioner);

(B) authorizes the insurance of loans to any individual student for at least six academic years of study or their equivalent (as determined under regulations of the Commissioner);

(C) provides that (i) the student borrower shall be entitled to accelerate without penalty the whole or any part of an insured loan, (ii) the period of any insured loan may not exceed fifteen years from the date of execution of the note or other written evidence of the loan, and (iii) the note or other written evidence of any loan may contain such provisions relating to repayment in the event of default by the borrower as may be authorized by regulations of the Commissioner in effect at the time such note or written evidence was executed;

(D) subject to subparagraph (C), provides that, where the total of the insured loans to any student which are held by any one person exceeds \$2,000, repayment of such loans shall be in installments over a period of not less than five years nor more than ten years beginning not earlier than nine months nor later than one year after the student ceases to pursue a full-time course of study at an eligible institution, except that if the program provides for the insurance of loans for part-time study at eligible institutions the program shall provide that such repayment period shall begin not earlier than nine months nor later than one year after the student ceases to carry at an eligible institution at least one-half the normal full-time academic workload as determined by the institution;

(E) authorizes interest on the unpaid balance of the loan at a yearly rate not in excess of 6 per centum per annum on the unpaid principal balance of the loan (exclusive of any premium for insurance which may be passed on to the borrower);

(F) insures not less than 80 per centum of the unpaid principal of loans insured under the program;

(G) does not provide for collection of an excessive insurance premium;

(H) provides that the benefits of the loan insurance program will not be denied any student because of his family income or lack of need if his adjusted family income at the time the note or written agreement is executed is less than \$15,000 (as determined pursuant to the regulations of the Commissioner prescribed under section 428(a)(1));

(I) provides that a student may obtain insurance under the program for a loan for any year of study at an eligible institution; and

(J) in the case of a State program, provides that such State program is administered by a single State agency, or by one or more nonprofit private institutions or organizations under the supervision of a single State agency.

(2) Such an agreement shall—

(A) provide that the holder of any such loan will be required to submit to the Commissioner, at such time or times and in such manner as he may prescribe, statements containing such information as may be required by or pursuant to regulation for the purpose of enabling the Commissioner to determine the amount of the payment which he must make with respect to that loan;

(B) include such other provisions as may be necessary to protect the financial interest of the United States and promote the purposes of this part and as are agreed to by the Commissioner and the State or nonprofit private organization or institution, as the case may be; and

(C) provide for making such reports in such form and containing such information as the Commissioner may reasonably require to carry out his function under this part and for keeping such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports.

CERTIFICATES OF FEDERAL LOAN INSURANCE—EFFECTIVE DATE OF INSURANCE

SEC. 429. (a)(1) If, upon application by an eligible lender, made upon such form, containing such information, and supported by such evidence as the Commissioner may require, and otherwise in conformity with this section, the Commissioner finds that the applicant has made a loan to an eligible student which is insurable under the provisions of this part, he may issue to the applicant a certificate of insurance covering the loan and setting forth the amount and terms of the insurance.

(2) Insurance evidenced by a certificate of insurance pursuant to subsection (a)(1) shall become effective upon the date of issuance of the certificate, except that the Commissioner is authorized, in accordance with regulations, to issue commitments with respect to proposed loans, or with respect to lines (or proposed lines) of credit, submitted by eligible lenders, and in that event, upon compliance with subsection (a)(1) by the lender, the certificate of insurance may be issued effective as of the date when any loan, or any payment by the lender pursuant to a line of credit, to be covered by such insurance was made. Such insurance shall cease to be effective upon sixty days' default by the lender in the payment of any installment of the premiums payable pursuant to subsection (c).

(3) An application submitted pursuant to subsection (a)(1) shall contain (A) an agreement by the applicant to pay, in accordance with regulations, the premiums fixed by the Commissioner pursuant to subsection (c), and (B) an agreement by the applicant that if the loan is

covered by insurance the applicant will submit such supplementary reports and statements during the effective period of the loan agreement, upon such forms, at such times, and containing such information as the Commissioner may prescribe by or pursuant to regulation.

(b)(1) In lieu of requiring a separate insurance application and issuing a separate certificate of insurance for each student loan made by an eligible lender as provided in subsection (a), the Commissioner may, in accordance with regulations consistent with section 424, issue to any eligible lender applying therefor a certificate of comprehensive insurance coverage which shall, without further action by the Commissioner, insure all insurable loans made by that lender, on or after the date of the certificate and before a specified cutoff date, within the limits of an aggregate maximum amount stated in the certificate. Such regulations may provide for conditioning such insurance, with respect to any loan, upon compliance by the lender with such requirements (to be stated or incorporated by reference in the certificate) as in the Commissioner's judgment will best achieve the purpose of this subsection while protecting the financial interest of the United States and promoting the objectives of this part, including (but not limited to) provisions as to the reporting of such loans and information relevant thereto to the Commissioner and as to the payment of initial and other premiums and the effect of default therein, and including provision for confirmation by the Commissioner from time to time (through endorsement of the certificate) of the coverage of specific new loans by such certificate, which confirmation shall be incontestable by the Commissioner in the absence of fraud or misrepresentation of fact or patent error.

(2) If the holder of a certificate of comprehensive insurance coverage issued under this subsection grants to a student a line of credit extending beyond the cutoff date specified in that certificate, loans or payments thereon made by the holder after that date pursuant to the line of credit shall not be deemed to be included in the coverage of that certificate except as may be specifically provided therein; but, subject to the limitations of section 424, the Commissioner may, in accordance with regulations, make commitments to insure such future loans or payments, and such commitments may be honored either as provided in subsection (a) or by inclusion of such insurance in comprehensive coverage under this subsection for the period or periods in which such future loans or payments are made.

(c) The Commissioner shall, pursuant to regulations, charge for insurance on each loan under this part a premium in an amount not to exceed one-fourth of 1 per centum per year of the unpaid principal amount of such loan (excluding interest added to principal), payable in advance, at such times and in such manner as may be prescribed by the Commissioner. Such regulations may provide that such premium shall not be payable, or if paid shall be refundable, with respect to any period after default in the payment of principal or interest or after the borrower has died or becomes totally and permanently disabled, if (1) notice of such default or other event has been duly given, and (2) request for payment of the loss insured against has been made or the Commissioner has made such payment on his own motion pursuant to section 430(a).

(d) The rights of an eligible lender arising under insurance evidenced by a certificate of insurance issued to it under this section may be assigned as security by such lender only to another eligible lender, and subject to regulation by the Commissioner.

(e) The consolidation of the obligations of two or more federally-insured loans obtained by a student borrower in any fiscal year into a

single obligation evidenced by a single instrument of indebtedness shall not affect the insurance by the United States. If the loans thus consolidated are covered by separate certificates of insurance issued under subsection (a), the Commissioner may upon surrender of the original certificates issue a new certificate of insurance in accordance with that subsection upon the consolidated obligation; if they are covered by a single comprehensive certificate issued under subsection (b), the Commissioner may amend that certificate accordingly.

DEFAULT, DEATH, OR DISABILITY OF STUDENT UNDER FEDERAL LOAN
INSURANCE PROGRAM

SEC. 430. (a) Upon default by the student borrower on any loan covered by Federal loan insurance pursuant to this part, or upon the death of the student borrower or a finding by the insurance beneficiary that the borrower has become totally and permanently disabled (as determined in accordance with regulations established by the Commissioner) before the loan has been repaid in full, and prior to the commencement of suit or other enforcement proceeding upon security for that loan, the insurance beneficiary shall promptly notify the Commissioner, and the Commissioner shall if requested (at that time or after further collection efforts) by the beneficiary, or may on his own motion, if the insurance is still in effect, pay to the beneficiary the amount of the loss sustained by the insured upon that loan as soon as that amount has been determined. The "amount of the loss" on any loan shall, for the purposes of this subsection and subsection (b), be deemed to be an amount equal to the unpaid balance of the principal amount of the loan (other than interest added to principal).

(b) Upon payment by the Commissioner of the amount of the loss pursuant to subsection (a), the United States shall be subrogated to all of the rights of the holder of the obligation upon the insured loan and shall be entitled to an assignment of the note or other evidence of the insured loan by the insurance beneficiary. If the net recovery made by the Commissioner on a loan after deduction of the cost of that recovery (including reasonable administrative costs) exceeds the amount of the loss, the excess shall be paid over to the insured.

(c) Nothing in this section or in this part shall be construed to preclude any forbearance for the benefit of the student borrower which may be agreed upon by the parties to the insured loan and approved by the Commissioner, or to preclude forbearance by the Commissioner in the enforcement of the insured obligation after payment on that insurance, or to require collection of the amount of any loan by the insurance beneficiary or by the Commissioner from the estate of a deceased borrower or from a borrower found by the insurance beneficiary to have become permanently and totally disabled.

(d) Nothing in this section or in this part shall be construed to excuse the holder of a federally insured loan from exercising reasonable care and diligence in the making and collection of loans under the provisions of this part. If the Commissioner, after reasonable notice and opportunity for hearing to an eligible lender, finds that it has substantially failed to exercise such care and diligence or to make the reports and statements required under section 428(a)(3) and section 429(a)(3), or to pay the required Federal loan insurance premiums, he shall disqualify that

lender for further Federal insurance on loans granted pursuant to this part until he is satisfied that its failure has ceased and finds that there is reasonable assurance that the lender will in the future exercise necessary care and diligence or comply with such requirements, as the case may be.

(e) As used in this section—

(1) the term "insurance beneficiary" means the insured or its authorized assignee in accordance with section 429(d); and

(2) the term "default" includes only such defaults as have existed for (A) one hundred and twenty days in the case of a loan which is repayable in monthly installments, or (B) one hundred and eighty days in the case of a loan which is repayable in less frequent installments.

INSURANCE FUND

SEC. 431. (a) There is hereby established a student loan insurance fund (hereinafter in this section called the "fund") which shall be available without fiscal year limitation to the Commissioner for making payments in connection with the default of loans insured by him under this part. All amounts received by the Commissioner as premium charges for insurance and as receipts, earnings, or proceeds derived from any claim or other assets acquired by the Commissioner in connection with his operations under this part, and any other moneys, property, or assets derived by the Commissioner from his operations in connection with this section, shall be deposited in the fund. All payments in connection with the default of loans insured by the Commissioner under this part shall be paid from the fund. Moneys in the fund not needed for current operations under this section may be invested in bonds or other obligations guaranteed as to principal and interest by the United States.

(b) If at any time the moneys in the fund are insufficient to make payments in connection with the default of any loan insured by the Commissioner under this part, the Commissioner is authorized to issue to the Secretary of the Treasury notes or other obligations in such forms and denominations, bearing such maturities, and subject to such terms and conditions as may be prescribed by the Commissioner with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations issued hereunder and for that purpose he is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under that Act, as amended, are extended to include any purchases of such notes and obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this subsection. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States. Sums borrowed under this subsection shall be deposited in the fund and redemption of such notes and obligations shall be made by the Commissioner from such fund.

LEGAL POWERS AND RESPONSIBILITIES

SEC. 432. (a) In the performance of, and with respect to, the functions, powers, and duties vested in him by this part, the Commissioner may—

(1) prescribe such regulations as may be necessary to carry out the purposes of this part;

(2) sue and be sued in any court of record of a State having general jurisdiction or in any district court of the United States, and such district courts shall have jurisdiction of civil actions arising under this part without regard to the amount in controversy, and any action instituted under this subsection by or against the Commissioner shall survive notwithstanding any change in the person occupying the office of Commissioner or any vacancy in that office; but no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against the Commissioner or property under his control, and nothing herein shall be construed to except litigation arising out of activities under this part from the application of sections 507(b) and 2679 of title 28 of the United States Code and of section 367 of the Revised Statutes (5 U.S.C. 316);

(3) include in any contract for Federal loan insurance such terms, conditions, and covenants relating to repayment of principal and payment of interest, relating to his obligations and rights and to those of eligible lenders, and borrowers in case of default, and relating to such other matters as the Commissioner determines to be necessary to assure that the purposes of this part will be achieved; and any term, condition, and covenant made pursuant to this clause or any other provisions of this part may be modified by the Commissioner if he determines that modification is necessary to protect the financial interest of the United States;

(4) subject to the specific limitations in this part, consent to the modification, with respect to rate of interest, time of payment of any installment of principal and interest or any portion thereof, or any other provision of any note or other instrument evidencing a loan which has been insured by him under this part;

(5) enforce, pay, or compromise, any claim on, or arising because of, any such insurance; and

(6) enforce, pay, compromise, waive, or release any right, title, claim, lien, or demand, however acquired, including any equity or any right or redemption.

(b) The Commissioner shall, with respect to the financial operations arising by reason of this part—

(1) prepare annually and submit a budget program as provided for wholly owned Government corporations by the Government Corporation Control Act; and

(2) maintain with respect to insurance under this part an integral set of accounts, which shall be audited annually by the General Accounting Office in accordance with principles and procedures applicable to commercial corporate transactions, as provided by section 105 of the Government Corporation Control Act, except that the transactions of the Commissioner, including the settlement of insurance claims and of claims for payments pursuant to section 428, and transactions related thereto and vouchers approved by the Commissioner in connection with such transactions, shall be final and conclusive upon all accounting and other officers of the Government.

ADVISORY COUNCIL ON INSURED LOANS TO STUDENTS

SEC. 433. (a) The Secretary shall establish in the Office of Education an Advisory Council on Insured Loans to Students, consisting of the Commissioner, who shall be Chairman, and eight members appointed, without regard to the civil service laws, by the Secretary. The membership of the Council shall include persons representing State loan insurance programs, private nonprofit loan insurance programs, financial and credit institutions, and institutions of higher education.

(b) The Advisory Council shall advise the Commissioner with respect to policy matters arising in the administration of this part, including policies and procedures governing the making of advances under section 422 and the Federal payments to reduce student interest costs under section 428.

(c) Members of the Advisory Council who are not regular full-time employees of the United States shall, while serving on the business of the Council, be entitled to receive compensation at rates fixed by the Secretary, but not exceeding \$100 per day, including travel time; and, while so serving away from their homes or regular places of business, members may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b-2) for persons in the Government service employed intermittently.

PARTICIPATION BY FEDERAL CREDIT UNIONS IN FEDERAL, STATE, AND PRIVATE STUDENT LOAN INSURANCE PROGRAMS

SEC. 434. Notwithstanding any other provision of law, Federal credit unions shall, pursuant to regulations of the Director of the Bureau of Federal Credit Unions, have power to make insured loans up to 10 per centum of their assets, to student members in accordance with the provisions of this part relating to federally insured loans, or in accordance with the provisions of any State or nonprofit private student loan insurance program which meets the requirements of section 428(a)(1)(C).

DEFINITIONS FOR REDUCED-INTEREST STUDENT LOAN INSURANCE PROGRAM

SEC. 435. As used in this part:

(a) The term "eligible institution" means an educational institution in any State which (1) admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such certificate, (2) is legally authorized within such State to provide a program of education beyond secondary education, (3) provides an educational program for which it awards a bachelor's degree or provides not less than a two-year program which is acceptable for full credit toward such a degree, (4) is a public or other nonprofit institution, and (5) is accredited by a nationally recognized accrediting agency or association approved by the Commissioner for this purpose or, if not so accredited, (A) is an institution with respect to which the Commissioner has determined that there is satisfactory assurance, considering the resources available to the institution, the period of time, if any, during which it has operated, the effort it is making to meet accreditation standards, and the purpose for which this determination is being made, that the institution will meet the accreditation standards of such an

agency or association within a reasonable time, or (B) is an institution whose credits are accepted on transfer by not less than three institutions which are so accredited, for credit on the same basis as if transferred from an institution so accredited. Such term also includes any public or other nonprofit collegiate or associate degree school of nursing and any school which provides not less than a one-year program of training to prepare students for gainful employment in a recognized occupation and which meets the provisions of clauses (1), (2), (4), and (5). If the Commissioner determines that a particular category of such schools does not meet the requirements of clause (5) because there is no nationally recognized accrediting agency or association qualified to accredit schools in such category, he shall, pending the establishment of such an accrediting agency or association, appoint an advisory committee, composed of persons specially qualified to evaluate training provided by schools in such category, which shall (i) prescribe the standards of content, scope, and quality which must be met in order to qualify schools in such category to participate in the program pursuant to this part, and (ii) determine whether particular schools not meeting the requirements of clause (5) meet those standards. For purposes of this subsection, the Commissioner shall publish a list of nationally recognized accrediting agencies or associations which he determines to be reliable authority as to the quality of training offered.

(b) The term "collegiate school of nursing" means a department, division, or other administrative unit in a college or university which provides primarily or exclusively an accredited program of education in professional nursing and allied subjects leading to the degree of bachelor of arts, bachelor of science, bachelor of nursing, or to an equivalent degree, or to a graduate degree in nursing.

(c) The term "associate degree school of nursing" means a department, division, or other administrative unit in a junior college, community college, college, or university which provides primarily or exclusively an accredited two-year program of education in professional nursing and allied subjects leading to an associate degree in nursing or to an equivalent degree.

(d) The term "accredited" when applied to any program of nurse education means a program accredited by a recognized body or bodies approved for such purpose by the Commissioner of Education.

(e) The term "eligible lender" means an eligible institution, an agency or instrumentality of a State, or a financial or credit institution (including an insurance company) which is subject to examination and supervision by an agency of the United States or of any State.

(f) The term "line of credit" means an arrangement or agreement between the lender and the borrower whereby a loan is paid out by the lender to the borrower in annual installments, or whereby the lender agrees to make, in addition to the initial loan, additional loans in subsequent years.

PART C—COLLEGE WORK-STUDY PROGRAM EXTENSION AND AMENDMENTS

TRANSFER OF AUTHORITY AND OTHER AMENDMENTS

SEC. 441. Parts C and D of title I of the Economic Opportunity Act of 1964 (Public Law 88-452) are amended as follows:

(1) *By striking out "Director" in the first sentence of section 122(a) and inserting in lieu thereof "Commissioner of Education (hereinafter in this part referred to as the 'Commissioner')", and by striking out "Director" wherever that word appears in the other provisions of such part C and inserting in lieu thereof "Commissioner";*

(2) *By amending that part of section 121 that follows the section designation to read as follows: "The purpose of this part is to stimulate and promote the part-time employment of students, particularly students from low-income families, in institutions of higher education who are in need of the earnings from such employment to pursue courses of study at such institutions.";*

(3) *By striking out section 123 and inserting in lieu thereof the following:*

"GRANTS FOR WORK-STUDY PROGRAMS

"SEC. 123. (a) The Commissioner is authorized to enter into agreements with institutions of higher education under which the Commissioner will make grants to such institutions to assist in the operation of work-study programs as hereinafter provided.

"(b) For the purposes of this part—

"(1) The term 'institution of higher education' means an educational institution in any State which (A) admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such certificate, (B) is legally authorized within such State to provide a program of education beyond secondary education, (C) provides an educational program for which it awards a bachelor's degree or provides not less than a two-year program which is acceptable for full credit toward such a degree, (D) is a public or other nonprofit institution, and (E) is accredited by a nationally recognized accrediting agency or association approved by the Commissioner for this purpose or, if not so accredited, (i) is an institution with respect to which the Commissioner has determined that there is satisfactory assurance, considering the resources available to the institution, the period of time, if any, during which it has operated, the effort it is making to meet accreditation standards, and the purpose for which this determination is being made, that the institution will meet the accreditation standards of such an agency or association within a reasonable time, or (ii) is an institution whose credits are accepted on transfer by not less than three institutions which are so accredited, for credit on the same basis as if transferred from an institution so accredited. Such term also includes any public or other nonprofit collegiate or associate degree school of nursing and any school which provides not less than a one-year program of training to prepare students for gainful employment in a recognized occupation and which meets the provisions of clauses (A), (B), (D), and (E). If the Commissioner determines that a particular category of such schools does not meet the requirements of clause (E) because there is no

nationally recognized accrediting agency or association qualified to accredit schools in such category, he shall, pending the establishment of such an accrediting agency or association, appoint an advisory committee, composed of persons specially qualified to evaluate training provided by schools in such category, which shall (I) prescribe the standards of content, scope, and quality which must be met in order to qualify schools in such category to participate in the program pursuant to this part, and (II) determine whether particular schools not meeting the requirements of clause (E) meet those standards. For purposes of this subsection, the Commissioner shall publish a list of nationally recognized accrediting agencies or associations which he determines to be reliable authority as to the quality of training offered.

"(2) The term 'collegiate school of nursing' means a department, division, or other administrative unit in a college or university which provides primarily or exclusively an accredited program of education in professional nursing and allied subjects leading to the degree of bachelor of arts, bachelor of science, bachelor of nursing, or to an equivalent degree, or to a graduate degree in nursing.

"(3) The term 'associate degree school of nursing' means a department, division, or other administrative unit in a junior college, community college, college, or university which provides primarily or exclusively an accredited two-year program of education in professional nursing and allied subjects leading to an associate degree in nursing or to an equivalent degree.

"(4) The term 'accredited' when applied to any program of nurse education means a program accredited by a recognized body or bodies approved for such purpose by the Commissioner.";

(4) By striking out section 124(a) and inserting in lieu thereof the following:

"(a) provide for the operation by the institution of a program for the part-time employment of its students in work for the institution itself or work in the public interest for a public or private nonprofit organization under an arrangement between the institution and such organization, and such work—

"(1) will not result in the displacement of employed workers or impair existing contracts for services,

"(2) will be governed by such conditions of employment as will be appropriate and reasonable in light of such factors as type of work performed, geographical region, and proficiency of the employee, and

"(3) does not involve the construction, operation, or maintenance of so much of any facility as is used or is to be used for sectarian instruction or as a place for religious worship";

(5) By redesignating clauses (2), (3), and (4), of paragraph (c) of section 124 as clauses (1), (2), and (3), and by striking out so much of such paragraph as precedes such redesignated clauses and inserting in lieu thereof the following: "(c) provide that in the selection of students for employment under such work-study program preference shall be given to students from low-income families and that employment under such work-study program shall be furnished only to a student who";

(6) By inserting before the period at the end of section 125 a comma and the following: "and such share may be paid to such student in the form of services and equipment (including tuition, room, board, and books) furnished by such institution"; and

(7) By striking out "provided for in" in section 131 and inserting in lieu thereof "for which he is responsible under".

APPROPRIATIONS AUTHORIZED

SEC. 442. There are authorized to be appropriated \$129,000,000 for the fiscal year ending June 30, 1966, \$165,000,000 for the fiscal year ending June 30, 1967, and \$200,000,000 for the fiscal year ending June 30, 1968, to carry out the purposes of part C of title I of the Economic Opportunity Act of 1964 (Public Law 88-452). Any sums which are appropriated for the fiscal year ending June 30, 1966, for the purpose of such part C pursuant to an authorization in the Economic Opportunity Act of 1964, or are allocated for such purpose from any appropriation for such year, shall be made available, to the extent unexpended on the date of enactment of this Act, to the Commissioner for carrying out such part C, and the total of such sums (including amounts expended prior to such date) shall be deducted from the authorization in this section for such year. Sixty million dollars of the authorization for title I of the Economic Opportunity Act of 1964 for the fiscal year ending June 30, 1966, as contained in section 131 of such Act, shall be only for the purpose of part C of such title. No provision in the Economic Opportunity Act of 1964 which authorizes the appropriation of funds to carry out that Act shall apply to such part C after June 30, 1966.

PART D—AMENDMENTS TO NATIONAL DEFENSE EDUCATION ACT OF 1958

DEFINITION OF INSTITUTION OF HIGHER EDUCATION

SEC. 461. Section 103(b) of the National Defense Education Act of 1958 is amended to read as follows:

"(b) The term 'institution of higher education' means an educational institution in any State which (1) admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such certificate, (2) is legally authorized within such State to provide a program of education beyond secondary education, (3) provides an educational program for which it awards a bachelor's degree or provides not less than a two-year program which is acceptable for full credit toward such a degree, (4) is a public or other nonprofit institution, and (5) is accredited by a nationally recognized accrediting agency or association approved by the Commissioner for this purpose or, if not so accredited, (A) is an institution with respect to which the Commissioner has determined that there is satisfactory assurance, considering the resources available to the institution, the period of time, if any, during which it has operated, the effort it is making to meet accreditation standards, and the purpose for which this determination is being made, that the institution will meet the accreditation standards of such an agency or association within a reasonable time, or (B) is an institution whose credits are accepted on transfer by not less than three institutions which are so accredited, for credit on the same basis as if transferred from an institution so accredited. For purposes of title 11, such term includes any school of nursing as defined in subsection (l) of this section, and also includes any school which provides not less than a one-year program of training to prepare students for gainful employment in a recognized occupation and which meets the provisions of

clauses (1), (2), (4), and (5). If the Commissioner determines that a particular category of such schools does not meet the requirements of clause (5) because there is no nationally recognized accrediting agency or association qualified to accredit schools in such category, he shall, pending the establishment of such an accrediting agency or association, appoint an advisory committee, composed of persons specially qualified to evaluate training provided by schools in such category, which shall (i) prescribe the standards of content, scope, and quality which must be met in order to qualify schools in such category to participate in the student loan program under title II, and (ii) determine whether particular schools not meeting the requirements of clause (5) meet those standards. For purposes of this subsection, the Commissioner shall publish a list of nationally recognized accrediting agencies or associations which he determines to be reliable authority as to the quality of training offered."

CONDITIONS OF AGREEMENTS; ADMINISTRATIVE COSTS

SEC. 462. Clause (3) of section 204 of the National Defense Education Act of 1958 is amended to read as follows:

"(3) provide that such student loan fund shall be used only for (A) loans to students in accordance with such agreement, (B) capital distributions as provided in this title, (C) routine expenses incurred by the institution in administering the student loan fund, except that the amount withdrawn from such student loan fund for such routine expenses by an institution in any fiscal year may not exceed either (i) one-half of such routine expenses as estimated for that year by the Commissioner with the advice of an advisory committee which the Commissioner is hereby authorized to appoint on an annual or such other basis as he may deem appropriate, or (ii) 1 per centum of the aggregate of the outstanding loans made from that fund as of the close of that year, whichever is the lesser, and (D) costs of litigation, and other collection costs agreed to by the Commissioner, arising in connection with the collection of any loan from the fund, interest on such loan, or charge assessed with respect to that loan pursuant to section 205(c);".

TECHNICAL AMENDMENT FOR PART-TIME STUDENTS

SEC. 463. (a) The portion of section 205(b)(2) of the National Defense Education Act of 1958 which precedes clause (A)(ii) thereof is amended to read as follows:

"(2) such a loan shall be evidenced by a note or other written agreement which provides for repayment of the principal amount, together with interest thereon, in equal installments (or, if the borrower so requests, in graduated periodic installments determined in accordance with such schedules as may be approved by the Commissioner) payable quarterly, bimonthly, or monthly (at the option of the institution) over a period beginning nine months after the date on which the borrower ceases to carry, at an institution of higher education or at a comparable institution outside the States approved for this purpose by the Commissioner, at least one-half the normal full-time academic workload as determined by that institution, and ending ten years and nine months after such date, except that (A) interest shall not accrue on any such loan, and installments need not be paid during any period (i) during which the borrower is carrying, at an

institution of higher education or at a comparable institution outside the States approved for this purpose by the Commissioner, at least one-half the normal full-time academic workload as determined by the institution,".

(b) Clause (D) of such section 205(b)(2) is amended by striking out "periodic", and by striking out "part-time" and inserting in lieu thereof "less than half-time".

(c) The amendments made by this section shall apply to a loan outstanding on the date of enactment of this Act only with the consent of the borrower and the institution which made the loan.

MINIMUM RATE OF REPAYMENT

SEC. 464. (a) Section 205(b)(2) of the National Defense Education Act of 1958 is further amended by striking out "and" before "(E)" and by inserting at the end thereof before the semicolon ", and (F) the institution may provide, in accordance with regulations of the Commissioner, that during the repayment period of the loan payments of principal and interest by the borrower with respect to all the outstanding loans made to him from loan funds established pursuant to this title shall be at a rate equal to not less than \$15 per month".

(b) The amendment made by this section shall be applicable only with respect to loans made after the date of enactment of this Act.

CANCELLATION OF LOANS FOR TEACHERS

SEC. 465. (a) Section 205(b)(3) of the National Defense Education Act of 1958 is amended—

(1) by inserting "total" before "amount" and by striking out "which was unpaid on the first day of such service";

(2) by inserting "or its equivalent (as determined under regulations of the Commissioner)" after "academic year"; and

(3) by inserting before the semicolon at the end thereof a comma and the following: "except that (A) such rate shall be 15 per centum for each complete academic year or its equivalent (as determined under regulations of the Commissioner) of service as a full-time teacher in a public or other nonprofit elementary or secondary school which is in the school district of a local educational agency which is eligible in such year for assistance pursuant to title II of Public Law 874, Eighty-first Congress, as amended, and which for purposes of this clause and for that year has been determined by the Commissioner, pursuant to regulations and after consultation with the State educational agency of the State in which the school is located, to be a school in which there is a high concentration of students from low-income families, except that the Commissioner shall not make such determination with respect to more than 25 per centum of the total of the public and other nonprofit elementary and secondary schools in any one State for any one year, and (B) for the purposes of any cancellation pursuant to clause (A), an additional 50 per centum of any such loan (plus interest) may be cancelled but nothing in this paragraph shall authorize refunding any payment".

(b) The amendments made by clauses (1) and (3) of subsection (a) shall apply with respect to service performed during academic years beginning after the date of enactment of this Act, whether the loan was made before or after such enactment. The amendment made by clause (2) of sub-

section (a) shall apply with respect to service performed during academic years beginning after the enactment of the National Defense Education Act Amendments, 1964, Public Law 88-665, whether or not the loan was made before or after such enactment.

CHARGES

SEC. 466. (a) Section 205 of the National Defense Education Act of 1958 is further amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

"(c) Pursuant to regulations of the Commissioner, an institution may assess a charge with respect to a loan from the loan fund established by the institution pursuant to this title for failure of the borrower to pay all or any part of an installment when it is due and, in the case of a borrower who is entitled to deferment benefits under section 205(b)(2) or cancellation benefits under section 205(b)(3), for any failure to file timely and satisfactory evidence of such entitlement. The amount of any such charge may not exceed—

"(1) in the case of a loan which is repayable in monthly installments, \$1 for the first month or part of a month by which such installment or evidence is late and \$2 for each such month or part of a month thereafter; and

"(2) in the case of a loan which has a bimonthly or quarterly repayment interval, \$3 and \$6, respectively, for each such interval or part thereof by which such installment or evidence is late.

The institution may elect to add the amount of any such charge to the principal amount of the loan as of the first day after the day on which such installment or evidence was due, or to make the amount of the charge payable to the institution not later than the due date of the next installment after receipt by the borrower of notice of the assessment of the charge."

(b) Clause (2) of section 204 of such Act is amended by striking out "and (D)" and inserting in lieu thereof "(D) charges collected pursuant to section 205(c), and (E)".

(c) The amendment made by subsection (a) shall be applicable only with respect to loans made after the date of enactment of this Act.

ECONOMICS, CIVICS, AND INDUSTRIAL ARTS

SEC. 467. (a)(1) Clauses (1) and (5) of section 303(a) of the National Defense Education Act of 1958 are each amended by inserting "economics," after "geography,".

(2) Section 301 of such Act is amended by striking out "and \$90,000,000 for the fiscal year ending June 30, 1965, and for each of the three succeeding fiscal years" and inserting in lieu thereof "\$90,000,000 for the fiscal year ending June 30, 1965, and \$100,000,000 for the fiscal year ending June 30, 1966, and for each of the two succeeding fiscal years".

(b) Section 1101 of such Act is amended—

(1) by striking out "each of the three succeeding fiscal years" and inserting in lieu thereof "\$50,000,000 for the fiscal year ending June 30, 1966, and for each of the two succeeding fiscal years"; and

(2) by inserting "economics, civics, industrial arts," after "geography,".

TITLE V—TEACHER PROGRAMS

PART A—GENERAL PROVISIONS

ADVISORY COUNCIL ON QUALITY TEACHER PREPARATION

SEC. 501. (a) The Commissioner shall establish in the Office of Education an Advisory Council on Quality Teacher Preparation for the purpose of reviewing the administration and operation of the programs carried out under this title and of all other Federal programs for complementary purposes. This review shall pay particular attention to the effectiveness of these programs in attracting, preparing, and retaining highly qualified elementary and secondary school teachers, and it shall include recommendations for the improvement of these programs. The Council shall consist of the Commissioner, who shall be Chairman, and twelve members appointed for staggered terms and without regard to the civil service laws, by the Commissioner with the approval of the Secretary. Such twelve members shall include persons knowledgeable with respect to teacher preparation and the needs of urban and rural schools, and representatives of the general public.

(b) Members of such Advisory Council who are not regular full-time employees of the United States shall, while attending meetings or conferences of such Council or otherwise engaged on business of such Council, be entitled to receive compensation at a rate fixed by the Secretary, but not exceeding \$100 per diem, including travel time, and, while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b-2) for persons in the Government service employed intermittently.

(c) The Council may appoint an Executive Secretary and such other employees as the Council deems necessary to carry out its functions under this title.

LIMITATION

SEC. 502. Nothing contained in this title shall be construed to authorize the making of any payment under this title for religious worship or instruction.

PART B—NATIONAL TEACHER CORPS

STATEMENT OF PURPOSE AND AUTHORIZATION OF APPROPRIATIONS

SEC. 511. (a) The purpose of this part is to strengthen the educational opportunities available to children in areas having concentrations of low-income families and to encourage colleges and universities to broaden their programs of teacher preparation by—

(1) attracting and training qualified teachers who will be made available to local educational agencies for teaching in such areas; and

(2) attracting and training inexperienced teacher-interns who will be made available for teaching and inservice training to local educational agencies in such areas in teams led by an experienced teacher.

(b) For the purpose of carrying out this part, there are authorized to be appropriated \$36,100,000 for the fiscal year ending June 30, 1966, and \$64,715,000 for the fiscal year ending June 30, 1967.

ESTABLISHMENT OF NATIONAL TEACHER CORPS

SEC. 512. In order to carry out the purposes of this part, there is hereby established in the Office of Education a National Teacher Corps (hereinafter referred to as the "Teacher Corps"). The Teacher Corps shall be headed by a Director who shall be compensated at the rate prescribed for grade 17 of the General Schedule of the Classification Act of 1949, and a Deputy Director who shall be compensated at the rate prescribed for grade 16 of such General Schedule. The Director and the Deputy Director shall perform such duties as are delegated to them by the Commissioner.

TEACHER CORPS PROGRAM

SEC. 513. (a) For the purpose of carrying out this part, the Commissioner is authorized to—

(1) recruit, select, and enroll experienced teachers, and inexperienced teacher-interns who have a bachelor's degree or its equivalent, in the Teacher Corps for periods of up to two years;

(2) enter into arrangements, through grants or contracts, with institutions of higher education or State or local educational agencies to provide members of the Teacher Corps with such training as the Commissioner may deem appropriate to carry out the purposes of this part, including not more than three months of training for members before they undertake their teaching duties under this part;

(3) enter into arrangements (including the payment of the cost of such arrangements) with local educational agencies, after consultation in appropriate cases with State educational agencies and institutions of higher education, to furnish to local educational agencies, for service during regular or summer sessions, or both, in the schools of such agencies in areas having concentrations of children from low-income families, either or both (A) experienced teachers, or (B) teaching teams, each of which shall consist of an experienced teacher and a number of teacher-interns who, in addition to teaching duties, shall be afforded time by the local educational agency for a teacher-intern training program developed according to criteria established by the Commissioner and carried out under the guidance of the experienced teacher in cooperation with an institution of higher education; and

(4) pay to local educational agencies the amount of the compensation which such agencies pay to or on behalf of members of the Teacher Corps assigned to them pursuant to arrangements made pursuant to the preceding clause.

(b) Arrangements with institutions of higher education to provide training for teacher-interns while teaching in schools for local educational agencies under the provisions of this part shall provide, wherever possible, for training leading to a graduate degree.

(c)(1) Whenever the Commissioner determines that the demand for the services of experienced teachers or of teaching teams furnished pursuant to clause (3) of subsection (a) exceeds the number of experienced teachers or teaching teams available from the Teacher Corps, the Commissioner shall, to the extent practicable, allocate experienced teachers or teaching teams, as the case may be, from the Teacher Corps among the States in accordance with paragraph (2).

(2) Not to exceed 2 per centum of such teachers or teams, as the case may be, shall be allocated to Puerto Rico, and the Virgin Islands according

to their respective needs. The remainder of such teams or teachers, as the case may be, shall be allocated among the other States in proportion to the number of children counted in each State for the purpose of determining the amount of basic grants made under section 203 of title II of Public Law 874, Eighty-first Congress, as amended, for the fiscal year for which the allocation is made.

(d) A local educational agency may utilize members of the Teacher Corps assigned to it in providing, in the manner described in section 205(a)(2) of Public Law 874, Eighty-first Congress, as amended, educational services in which children enrolled in private elementary and secondary schools can participate.

COMPENSATION

SEC. 514. (a) An arrangement made with a local educational agency pursuant to paragraph (3) of section 513(a) shall provide for compensation by such agency of Teacher Corps members during the period of their assignment to it at the following rates:

(1) an experienced teacher who is not leading a teaching team shall be compensated at a rate which is equal to the rate paid by such agency for a teacher with similar training and experience who has been assigned similar teaching duties;

(2) an experienced teacher who is leading a teaching team shall be compensated at a rate agreed to by such agency and the Commissioner; and

(3) a teacher-intern shall be compensated at a rate which is equal to the lowest rate paid by such agency for teaching full time in the school system and grade to which the intern is assigned.

(b) For any period of training under this part the Commissioner shall pay to members of the Teacher Corps such stipends (including allowances for subsistence and other expenses for such members and their dependents) as he may determine to be consistent with prevailing practices under comparable federally supported training programs.

(c) The Commissioner shall pay the necessary travel expenses of members of the Teacher Corps and their dependents and necessary expenses for the transportation of the household goods and personal effects of such members and their dependents, and such other necessary expenses of members as are directly related to their service in the Corps, including readjustment allowances proportionate to service.

(d) The Commissioner is authorized to make such arrangements as may be possible, including the payment of any costs incident thereto, to protect the tenure, retirement rights, participation in a medical insurance program, and such other similar employee benefits as the Commissioner deems appropriate, of a member of the Teacher Corps who participates in any program under this part and who indicates his intention to return to the local educational agency or institution of higher education by which he was employed immediately prior to his service under this part.

APPLICATION OF PROVISIONS OF FEDERAL LAW

SEC. 515. (a) Except as otherwise specifically provided in this section, a member of the Teacher Corps shall be deemed not to be a Federal employee and shall not be subject to the provisions of laws relating to Federal employment, including those relating to hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits.

(b)(1) Such members shall, for the purposes of the administration of the Federal Employees' Compensation Act (5 U.S.C. 751 et seq.), be deemed to be civil employees of the United States within the meaning of the term "employee" as defined in section 40 of such Act (5 U.S.C. 790) and the provisions thereof shall apply except as hereinafter provided.

(2) For purposes of this subsection:

(A) the term "performance of duty" in the Federal Employees' Compensation Act shall not include any act of a member of the Teacher Corps—

(i) while on authorized leave; or

(ii) while absent from his assigned post of duty, except while participating in an activity authorized by or under the direction or supervision of the Commissioner; and

(B) in computing compensation benefits for disability or death under the Federal Employees' Compensation Act, the monthly pay of a member of the Teacher Corps shall be deemed to be his actual pay or that received under the entrance salary for grade 6 of the General Schedule of the Classification Act of 1949, whichever is greater.

(c) Such members shall be deemed to be employees of the Government for the purposes of the Federal tort claims provisions of title 28, United States Code.

LOCAL CONTROL PRESERVED

SEC. 516. Members of the Teacher Corps shall be under the direct supervision of the appropriate officials of the local educational agencies to which they are assigned. Except as otherwise provided in clause (3) of section 513(a), such agencies shall retain the authority to—

(1) assign such members within their systems;

(2) make transfers within their systems;

(3) determine the subject matter to be taught;

(4) determine the terms and continuance of the assignment of such members within their systems.

MAINTENANCE OF EFFORT

SEC. 517. No member of the Teacher Corps shall be furnished to any local educational agency under the provisions of this part if such agency will use such member to replace any teacher who is or would otherwise be employed by such agency.

PART C—FELLOWSHIPS FOR TEACHERS

STATEMENT OF PURPOSE

SEC. 521. The Congress hereby declares it to be the policy of the United States to improve the quality of education offered by the elementary and secondary schools of the Nation by improving the quality of the education of persons who are pursuing or who plan to pursue a career in elementary and secondary education. The purpose of this part is to carry out this policy by awarding fellowships for graduate study at institutions of higher education and by developing or strengthening teacher education programs in institutions of higher education. For the purpose of this part the term "career in elementary and secondary education" means a career of teaching in elementary or secondary schools, a career of teaching, guiding, or supervising such teachers or persons who plan to become such

teachers, or a career in fields which are directly related to teaching in elementary or secondary schools, such as library science, school social work, guidance and counseling, educational media, and special education for handicapped children.

FELLOWSHIPS AUTHORIZED

SEC. 522. (a) The Commissioner is authorized to award not to exceed four thousand five hundred fellowships for the fiscal year ending June 30, 1966, ten thousand fellowships for the fiscal year ending June 30, 1967, and ten thousand fellowships for the fiscal year ending June 30, 1968. Fellowships awarded under the provisions of this part shall be for graduate study leading to an advanced degree other than a doctor of philosophy, or equivalent degree, for persons who are pursuing or plan to pursue a career in elementary and secondary education. Such fellowships shall be awarded as provided in sections 523 and 524 of this part and for such periods as the Commissioner may determine but not to exceed twenty-four months.

(b) In addition to the number of fellowships authorized to be awarded by subsection (a) of this section, the Commissioner is authorized to award fellowships equal to the number previously awarded during any fiscal year under this part but vacated prior to the end of the period for which they were awarded; except that each fellowship awarded under this subsection shall be for such period of study, not in excess of the remainder of the period for which the fellowship which it replaces was awarded, as the Commissioner may determine.

ALLOCATION OF FELLOWSHIPS

SEC. 523. The Commissioner shall allocate fellowships under this part to institutions of higher education with programs approved under the provisions of section 524(a) for the use of individuals accepted into such programs, in such manner and according to such plan as will most nearly—

(1) provide an equitable distribution of such fellowships throughout the States, except that to the extent he deems proper in the national interest after consultation with the Advisory Council on Quality Teacher Preparation the Commissioner may give preference to programs designed to meet an urgent national need, and

(2) encourage experienced teachers in elementary or secondary schools and other experienced personnel in elementary or secondary education to enter graduate programs, attract recent college graduates to pursue a career in elementary and secondary education, and afford opportunities for college graduates engaged in other occupations or activities to pursue or return to a career in elementary and secondary education.

APPROVAL OF PROGRAMS; GRANTS

SEC. 524. (a) The Commissioner shall approve a graduate program of an institution of higher education only upon application by the institution and only upon his finding—

(1) that such program will substantially further the objective of improving the quality of education of persons who are pursuing or intend to pursue a career in elementary and secondary education,

(2) that such program gives emphasis to high-quality substantive courses,

(3) that such program is of high quality and either is in effect or readily attainable, and

(4) that only persons who demonstrate a serious intent to pursue or to continue a career in elementary and secondary education will be accepted for study in the program.

(b) For the purpose of obtaining an appropriate geographical distribution of high-quality programs for the training of personnel for elementary or secondary education, the Commissioner is authorized to make grants to and contracts with institutions of higher education to pay part of the cost of developing or strengthening graduate programs which meet the requirements of subsection (a).

(c) The Commissioner may employ experts and consultants, as authorized by section 15 of the Administrative Expenses Act of 1946 (5 U.S.C. 55a), to advise him with respect to the making of grants and contracts and the approving of programs under this section, and he shall set forth in regulations the standards and priorities which will be utilized in approving such grants and contracts. Experts and consultants employed pursuant to this subsection may be compensated while so employed at rates not in excess of \$100 per diem, including travel time, and may be allowed while away from their homes or regular places of business, travel expenses (including per diem in lieu of subsistence) as authorized by section 5 of such Act (5 U.S.C. 73b-2) for persons in the Government service employed intermittently.

STIPENDS

SEC. 525. (a) The Commissioner shall pay to persons awarded fellowships under this part such stipends (including such allowances for subsistence and other expenses for such persons and their dependents) as he may determine to be consistent with prevailing practices under comparable federally supported programs.

(b) In addition to the amounts paid to persons pursuant to subsection (a), the Commissioner shall pay to the institution of higher education at which such person is pursuing his course of study an amount equivalent to \$2,500 per academic year, less any amount charged such person for tuition and nonrefundable fees and deposits.

LIMITATION

SEC. 526. No fellowships shall be awarded under this part for study at a school or department of divinity. For the purposes of this section, the term "school or department of divinity" means an institution or department or branch of an institution whose program is specifically for the education of students to prepare them to become ministers of religion or to enter upon some other religious vocation or to prepare them to teach theological subjects.

FELLOWSHIP CONDITIONS

SEC. 527. A person awarded a fellowship under the provisions of this part shall continue to receive the payments provided in section 525(a) only during such periods as the Commissioner finds that he is maintaining satisfactory proficiency and devoting full time to study or research in the field in which such fellowship was awarded in an institution of

higher education, and is not engaging in gainful employment other than such part-time employment in teaching, research, or similar activities related to his training as has been approved by the Commissioner.

APPROPRIATIONS

SEC. 528. There are hereby authorized to be appropriated to carry out this part \$40,000,000 for the fiscal year ending June 30, 1966, \$160,000,000 for the fiscal year ending June 30, 1967, \$275,000,000 for the fiscal year ending June 30, 1968, and such sums for the two succeeding fiscal years as may be necessary to enable persons who have been awarded fellowships prior to July 1, 1968, to complete their study under the fellowships.

TITLE VI—FINANCIAL ASSISTANCE FOR THE IMPROVEMENT OF UNDERGRADUATE INSTRUCTION

PART A—EQUIPMENT

STATEMENT OF PURPOSE AND AUTHORIZATION OF APPROPRIATIONS

SEC. 601. (a) The purpose of this part is to improve the quality of classroom instruction in selected subject areas in institutions of higher education.

(b) There are hereby authorized to be appropriated \$35,000,000 for the fiscal year ending June 30, 1966, \$50,000,000 for the fiscal year ending June 30, 1967, and \$60,000,000 for the fiscal year ending June 30, 1968, to enable the Commissioner to make grants to institutions of higher education pursuant to this part for the acquisition of equipment and for minor remodeling described in section 603(2)(A).

(c) There are also authorized to be appropriated \$2,500,000 for the fiscal year ending June 30, 1966, and \$10,000,000 for the fiscal year ending June 30, 1967, and for the succeeding fiscal year, to enable the Commissioner to make grants to institutions of higher education pursuant to this part for the acquisition of television equipment and for minor remodeling described in section 603(2)(B).

(d) There is also authorized to be appropriated a sum not exceeding \$1,000,000 for the fiscal year ending June 30, 1966, and for each of the two succeeding fiscal years, to enable the Commissioner to make grants in such amounts as he may consider necessary for the proper and efficient administration of the State plans approved under this part including expenses which he determines are necessary for the preparation of such plans.

(e) For the fiscal year ending June 30, 1969, and for the succeeding fiscal year, there may be appropriated for the purposes set forth in subsections (b), (c), and (d) of this section, only such sums as the Congress may hereafter authorize by law.

ALLOTMENTS TO STATES

SEC. 602. (a)(1) Of the funds appropriated pursuant to subsections (b) and (c) of section 601 for any fiscal year one-half shall be allotted by the Commissioner among the States so that the allotment to each State will be an amount which bears the same ratio to such one-half as the number of students enrolled in institutions of higher education in such State bears

to the total number of students enrolled in such institutions in all the States; and the remaining one-half shall be allotted by him among the States in accordance with paragraph (2) of this subsection. For the purposes of this subsection, (A) the number of students enrolled in institutions of higher education shall be deemed to be equal to the sum of (i) the number of full-time students and (ii) the full-time equivalent of the number of part-time students as determined by the Commissioner in accordance with regulations; and (B) determinations as to enrollment shall be made by the Commissioner on the basis of data for the most recent year for which satisfactory data with respect to such enrollment are available to him.

(2) For the purposes of this paragraph the Commissioner shall allot to each State for each fiscal year an amount which bears the same ratio to the funds being allotted pursuant to this paragraph as the product of—

(A) the number of students enrolled in institutions of higher education in such State, and

(B) the State's allotment ratio,

bears to the sum of the corresponding products for all the States. For the purposes of this paragraph the allotment ratio for any State shall be 1.00 less the product of (i) 0.50 and (ii) the quotient obtained by dividing the income per person for the State by the income per person for all the States (not including Puerto Rico, the Virgin Islands, American Samoa, and Guam), except that the allotment ratio shall in no case be less than 0.33% or more than 0.66%, and the allotment ratio for Puerto Rico, the Virgin Islands, American Samoa, and Guam shall be 0.66%. The allotment ratios shall be promulgated by the Commissioner as soon as possible after enactment of this Act, and annually thereafter, on the basis of the average of the incomes per person of the States and of all the States for the three most recent consecutive calendar years for which satisfactory data are available from the Department of Commerce.

(b)(1) A State's allotment under subsection (a) from funds appropriated pursuant to section 601(b) shall be available in accordance with the provisions of this part for payment of the Federal share (as determined under section 604) of the cost of equipment and minor remodeling described in section 603(2)(A).

(2) A State's allotment under subsection (a) from funds appropriated pursuant to section 601(c) shall be available in accordance with the provisions of this part for payment of the Federal share (as determined under section 604) of the cost of television equipment and minor remodeling described in section 603(2)(B).

(c) Sums allotted to a State for the fiscal year ending June 30, 1966, shall remain available for reservation as provided in section 606 until the close of the next fiscal year, in addition to the sums allotted to such State for such next fiscal year. Sums allotted to a State for the fiscal year ending June 30, 1967, or for any succeeding fiscal year, which are not reserved as provided in section 606 by the close of the fiscal year for which they are allotted, shall be reallocated by the Commissioner, on the basis of such factors as he determines to be equitable and reasonable, among the States which, as determined by the Commissioner, are able to use without delay any amounts so reallocated. Amounts reallocated under this subsection shall be available for reservation until the close of the fiscal year next succeeding the fiscal year for which they were originally allotted.

STATE COMMISSIONS AND PLANS

SEC. 603. Any State desiring to participate in the program under this part shall designate for that purpose an existing State agency which is broadly representative of the public and of institutions of higher education in the State, or, if no such State agency exists, shall establish such a State agency, and submit to the Commissioner through the agency so designated or established (hereafter in this part referred to as the "State commission"), a State plan for such participation. The Commissioner shall approve any such plan which—

(1) provides that it shall be administered by the State commission;

(2) sets forth, consistently with basic criteria prescribed by regulation pursuant to section 604, objective standards and methods (A) for determining the relative priorities of eligible projects for the acquisition of laboratory and other special equipment (other than supplies consumed in use), including audiovisual materials and equipment for classrooms or audiovisual centers, and printed and published materials (other than textbooks) for classrooms or libraries, suitable for use in providing education in science, mathematics, foreign languages, history, geography, government, English, other humanities, the arts, or education at the undergraduate level in institutions of higher education, and minor remodeling of classroom or other space used for such materials or equipment; (B) for determining relative priorities of eligible projects for (i) the acquisition of television equipment for closed-circuit direct instruction in such fields in such institutions (including equipment for fixed-service instructional television, as defined by the Federal Communications Commission, but not including broadcast transmission equipment), (ii) the acquisition of necessary instructional materials for use in such television instruction, and (iii) minor remodeling necessary for such television equipment; and (C) for determining the Federal share of the cost of each such project;

(3) provides (A) for assigning priorities solely on the basis of such criteria, standards, and methods to eligible projects submitted to the State commission and deemed by it to be otherwise approvable under the provisions of this part; and (B) for approving and recommending to the Commissioner, in the order of such priority, applications covering such eligible projects, and for certifying to the Commissioner the Federal share, determined by the State commission under the State plan, of the cost of the project involved;

(4) provides for affording to every applicant, which has submitted to the State commission a project, an opportunity for a fair hearing before the commission as to the priority assigned to such project or as to any other determination of the commission adversely affecting such applicant; and

(5) provides (A) for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the State commission under this part, and (B) for the making of such reports, in such form and containing such information, as may be reasonably necessary to enable the Commissioner to perform his functions under this part.

**BASIC CRITERIA FOR DETERMINING PRIORITIES, FEDERAL SHARE, AND
MAINTENANCE OF EFFORT**

SEC. 604. (a) As soon as practicable after the enactment of this Act the Commissioner shall by regulation prescribe basic criteria to which the provisions of State plans setting forth standards and methods for determining relative priorities of eligible projects, and the application of such standards and methods to such projects under such plans, shall be subject. Such basic criteria (1) shall be such as will best tend to achieve the objectives of this part while leaving opportunity and flexibility for the development of State plan standards and methods that will best accommodate the varied needs of institutions in the several States, and (2) shall give special consideration to the financial need of the institution. Subject to the foregoing requirements, such regulations may establish additional and appropriate basic criteria, including provision for considering the degree to which applicant institutions are effectively utilizing existing facilities and equipment, provision for allowing State plans to group or provide for grouping, in a reasonable manner, facilities or institutions according to functional or educational type for priority purposes, and, in view of the national objectives of this Act, provision for considering the degree to which the institution serves students from two or more States or from outside the United States; and in no event shall an institution's readiness to admit such out-of-State students be considered as a priority factor adverse to such institution.

(b) The Federal share for the purposes of this part shall not exceed 50 per centum of the cost of the project, except that a State commission may increase such share to not to exceed 80 per centum of such cost in the case of any institution proving insufficient resources to participate in the program under this part and inability to acquire such resources. An institution of higher education shall be eligible for a grant for a project pursuant to this part in any fiscal year only if such institution will expend during such year for the same purposes as, but not pursuant to, this part an amount at least equal to the amount expended by such institution for such purposes during the previous fiscal year. The Commissioner shall establish basic criteria for making determinations under this subsection.

APPLICATIONS FOR GRANTS AND CONDITIONS FOR APPROVAL

SEC. 605. (a) Institutions of higher education which desire to obtain grants under this part shall submit applications therefor at such time or times and in such manner as may be prescribed by the Commissioner, and such applications shall contain such information as may be required by or pursuant to regulation for the purpose of enabling the Commissioner to make the determinations required to be made by him under this part.

(b) The Commissioner shall approve an application covering a project under this part and meeting the requirements prescribed pursuant to subsection (a) if—

(1) the project has been approved and recommended by the appropriate State commission;

(2) the State commission has certified to the Commissioner, in accordance with the State plan, the Federal share of the cost of the project, and sufficient funds to pay such Federal share are available from the applicable allotment of the State (including any applicable reallocation to the State);

(3) the project has, pursuant to the State plan, been assigned a priority that is higher than that of all other projects within such State (chargeable to the same allotment) which meet all the requirements of this section (other than this clause) and for which Federal funds have not yet been reserved;

(4) the Commissioner determines that the project will be undertaken in an economical manner and will not be overly elaborate or extravagant; and

(5) the Commissioner determines that the application contains or is supported by satisfactory assurances—

(A) that Federal funds received by the applicant will be used solely for defraying the cost of the project covered by such application,

(B) that sufficient funds will be available to meet the non-Federal portion of such cost and to provide for the effective use of the equipment upon completion, and

(C) that the institution will meet the maintenance of effort requirement in section 604(b).

(b) Amendments of applications shall, except as the Commissioner may otherwise provide by or pursuant to regulation, be subject to approval in the same manner as original applications.

AMOUNT OF GRANT—PAYMENT

SEC. 606. Upon his approval of any application for a grant under this part, the Commissioner shall reserve from the applicable allotment (including any applicable reallotment) available therefor, the amount of such grant, which (subject to the limits of such allotment or reallotment) shall be equal to the Federal share of the cost of the project covered by such application. The Commissioner shall pay such reserved amount, in advance or by way of reimbursement, and in such installments as he may determine. The Commissioner's reservation of any amount under this section may be amended by him, either upon approval of an amendment of the application covering such project or upon revision of the estimated cost of a project with respect to which such reservation was made, and in the event of an upward revision of such estimated cost approved by him he may reserve the Federal share of the added cost only from the applicable allotment (or reallotment) available at the time of such approval.

ADMINISTRATION OF STATE PLANS

SEC. 607. (a) The Commissioner shall not finally disapprove any State plan submitted under this part, or any modification thereof, without first affording the State commission submitting the plan reasonable notice and opportunity for a hearing.

(b) Whenever the Commissioner, after reasonable notice and opportunity for hearing to the State commission administering a State plan approved under this part, finds—

(1) that the State plan has been so changed that it no longer complies with the provisions of section 603, or

(2) that in the administration of the plan there is a failure to comply substantially with any such provision,

the Commissioner shall notify such State commission that the State will not be regarded as eligible to participate in the program under this part until he is satisfied that there is no longer any such failure to comply.

JUDICIAL REVIEW

SEC. 608. (a) If any State is dissatisfied with the Commissioner's final action with respect to the approval of its State plan submitted under this part or with his final action under section 607, such State may appeal to the United States court of appeals for the circuit in which such State is located. The summons and notice of appeal may be served at any place in the United States. The Commissioner shall forthwith certify and file in the court the transcript of the proceedings and the record on which he based his action.

(b) The findings of fact by the Commissioner, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Commissioner to take further evidence, and the Commissioner may thereupon make new or modified findings of fact and may modify his previous action, and shall certify to the court the transcript and record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

(c) The court shall have jurisdiction to affirm the action of the Commissioner or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in title 28, United States Code, section 1254.

LIMITATION ON PAYMENTS

SEC. 609. No grant may be made under this part for equipment or materials to be used for sectarian instruction or religious worship, or primarily in connection with any part of the program of a school or department of divinity. For purposes of this section the term "school or department of divinity" means an institution or a department or branch of an institution whose program is specifically for the education of students to prepare them to become ministers of religion or to enter upon some other religious vocation, or to prepare them to teach theological subjects.

PART B—FACULTY DEVELOPMENT PROGRAMS

INSTITUTES AUTHORIZED

SEC. 621. (a) There are authorized to be appropriated \$5,000,000 for the fiscal year ending June 30, 1966, and for each of the two succeeding fiscal years, to enable the Commissioner to arrange, through grants or contracts, with institutions of higher education for the operation by them of short-term workshops or short-term or regular-session institutes for individuals (1) who are engaged in, or preparing to engage in, the use of educational media equipment in teaching in institutions of higher education, or (2) who are, or are preparing to be, in institutions of higher education, specialists in educational media or librarians or other specialists using such media.

(b) For the fiscal year ending June 30, 1969, and for the succeeding fiscal year, there may be appropriated for the purposes of this part, only such sums as the Congress may hereafter authorize by law.

STIPENDS

SEC. 622. Each individual who attends an institute operated under the provisions of this part shall be eligible (after application therefor)

to receive a stipend at the rate of \$75 per week for the period of his attendance at such institute and each such individual with one or more dependents shall receive an additional stipend at the rate of \$15 per week for each dependent. No stipends shall be paid for attendance at workshops.

TITLE VII—AMENDMENTS TO HIGHER EDUCATION FACILITIES ACT OF 1963

EXPANSION OF GRANT PURPOSES

SEC. 701. (a) Section 106 of the Higher Education Facilities Act of 1963 is amended to read as follows:

"ELIGIBILITY FOR GRANTS

"SEC. 106. An institution of higher education shall be eligible for a grant for construction of an academic facility under this title only if such construction will, either alone or together with other construction to be undertaken within a reasonable time, (1) result in an urgently needed substantial expansion of the institution's student enrollment capacity or capacity to carry out extension and continuing education programs on the campus of such institution, or (2) in the case of a new institution of higher education, result in creating urgently needed enrollment capacity or capacity to carry out extension and continuing education programs on the campus of such institution."

(b) The first sentence of section 101(b) of the Higher Education Facilities Act of 1963 is amended by striking out "and each of the two succeeding fiscal years" and inserting in lieu thereof "and for the succeeding fiscal year, and the sum of \$460,000,000 for the fiscal year ending June 30, 1966".

(c) The second sentence of section 201 of such Act is amended by striking out "and the sum of \$60,000,000 each for the fiscal year ending June 30, 1965, and the succeeding fiscal year" and inserting in lieu thereof "the sum of \$60,000,000 for the fiscal year ending June 30, 1965, and the sum of \$120,000,000 for the fiscal year ending June 30, 1966".

TECHNICAL AMENDMENTS

MAKING SECTION 103 ALLOTMENTS AVAILABLE FOR SECTION 104 INSTITUTIONS UNDER CERTAIN CIRCUMSTANCES

SEC. 702. (a)(1) Section 103(b) of the Higher Education Facilities Act of 1963 is amended by inserting "(1)" immediately after "(b)" in such section and by adding at the end thereof:

"(2) Notwithstanding any other provisions of this title, any portion of a State's allotment under this section for a fiscal year for which applications from an institution qualified to receive grants under this section have not been received by the State Commission by January 1 of such fiscal year, shall, if the Commission so requests, be available, in accordance with the provisions of this title, for payment of the Federal share (as determined under sections 108(b)(3) and 401(d)) of the development cost of approved projects for the construction of academic facilities within such State for institutions of higher education other than public community colleges and public technical institutes."

(2) The first sentence of section 103(c) is amended by striking out "for providing academic facilities for public community colleges or

public technical institutes" and inserting in lieu thereof "for the purposes set forth in subsection (b) of this section".

(3) Section 105(a) is amended by striking out "hereinafter" in the matter preceding clause (1).

(4) Clause (3) of section 105(a) is amended by inserting "(except as provided in section 103(b)(2))" after "section 103 will be available".

MAKING SECTION 104 ALLOTMENTS AVAILABLE FOR SECTION 103 INSTITUTIONS UNDER CERTAIN CIRCUMSTANCES

(b)(1) Section 104(b) of the Higher Education Facilities Act of 1963 is amended by inserting "(1)" immediately after "(b)" in such section and by adding at the end thereof:

"(2) Notwithstanding any other provisions of this title, any portion of a State's allotment under this section for a fiscal year for which applications from an institution qualified to receive grants under this section have not been received by the State Commission by January 1 of such fiscal year, shall, if the Commission so requests, be available, in accordance with the provisions of this title, for payment of the Federal share (as determined under sections 108(b)(3) and 401(d)) of the development cost of approved projects for the construction of academic facilities within such State for public community colleges and public technical institutes."

(2) The first sentence of section 104(c) is amended by striking out "for providing academic facilities for institutions of higher education other than public community colleges and public technical institutes" and inserting in lieu thereof "for the purposes set forth in subsection (b) of this section".

(3) Clause (3) of section 105(a) is amended by inserting "(except as provided in section 104(b)(2))" after "section 104 will be available".

REVISING FEDERAL SHARE FOR PUBLIC COMMUNITY COLLEGES AND PUBLIC TECHNICAL INSTITUTES

(c)(1) Section 105(a)(2) of the Higher Education Facilities Act of 1963 is amended by striking out "other than a project for a public community college or public technical institute".

(2) Section 107(b) of such Act is amended (1) by striking out "other than a project for a public community college or public technical institute", and (2) by striking out "shall be 40 per centum" and inserting in lieu thereof "shall in no event exceed 40 per centum".

(3) Section 401(d) of such Act is amended by inserting immediately before "40 per centum" the following: "a percentage (as determined under the applicable State plan) not in excess of".

THREE-YEAR AVAILABILITY OF SUMS APPROPRIATED UNDER SECTION 201

(d) The last sentence of section 201 of the Higher Education Facilities Act of 1963 is amended to read as follows: Sums appropriated pursuant to this section for any fiscal year shall remain available for grants under this title until the end of the second succeeding fiscal year.

TWO-YEAR AVAILABILITY OF TITLE III FUNDS

(e) Section 303(c) of the Higher Education Facilities Act of 1963 is amended by adding at the end the following new sentence: "Sums appropriated pursuant to this subsection for any fiscal year shall remain available for loans under this title until the end of the next succeeding fiscal year."

COORDINATION WITH PART A (GRANTS FOR EXPANSION AND IMPROVEMENT OF NURSE TRAINING) OF TITLE VIII OF THE PUBLIC HEALTH SERVICE ACT

(f) Effective with respect to applications for grants and loans submitted after the date of enactment of this Act, clause (E) of section 401(a)(2) of the Higher Education Facilities Act of 1963 is amended to read as follows: "(E) any facility used or to be used by a school of medicine, school of dentistry, school of osteopathy, school of pharmacy, school of optometry, school of podiatry, or school of public health as these terms are defined in section 724 of the Public Health Service Act, or a school of nursing as defined in section 843 of that Act."

CHANGE IN INTEREST RATE FOR TITLE III LOANS

SEC. 703. (a) Subsection (b) of section 303 of the Higher Education Facilities Act of 1963 is amended by inserting "(1)" after "shall bear interest at", and by inserting before the period at the end thereof a comma and the following: "or (2) the rate of 3 per centum per annum, whichever is the lesser".

(b) The amendment made by this section shall be applicable only with respect to loans made after the date of enactment of this Act.

TITLE VIII—GENERAL PROVISIONS

DEFINITIONS

SEC. 801. As used in this Act—

(a) The term "institution of higher education" means an educational institution in any State which (1) admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such a certificate, (2) is legally authorized within such State to provide a program of education beyond secondary education, (3) provides an educational program for which it awards a bachelor's degree or provides not less than a two-year program which is acceptable for full credit toward such a degree, (4) is a public or other nonprofit institution, and (5) is accredited by a nationally recognized accrediting agency or association or, if not so accredited, is an institution whose credits are accepted, on transfer, by not less than three institutions which are so accredited, for credit on the same basis as if transferred from an institution so accredited. Such term also includes any business school or technical institution which meets the provisions of clauses (1), (2), (4), and (5). For purposes of this subsection, the Commissioner shall publish a list of nationally recognized accrediting agencies or associations which he determines to be reliable authority as to the quality of training offered.

(b) The term "State" includes, in addition to the several States of the Union, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, and the Virgin Islands.

(c) The term "nonprofit" as applied to a school, agency, organization, or institution means a school, agency, organization, or institution owned and operated by one or more nonprofit corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

(d) The term "secondary school" means a school which provides secondary education as determined under State law except that it does not include any education provided beyond grade 12.

(e) The term "Secretary" means the Secretary of Health, Education, and Welfare.

(f) The term "Commissioner" means the Commissioner of Education.

(g) The term "local educational agency" means a public board of education or other public authority legally constituted within a State for either administrative control or direction of, or to perform a service function for, public elementary or secondary schools in a city, county, township, school district, or other political subdivision of a State, or such combination of school districts or counties as are recognized in a State as an administrative agency for its public elementary or secondary schools. Such term also includes any other public institution or agency having administrative control and direction of a public elementary or secondary school.

(h) The term "State educational agency" means the State board of education or other agency or officer primarily responsible for the State supervision of public elementary and secondary schools, or, if there is no such officer or agency, an officer or agency designated by the Governor or by State law.

(i) The term "elementary school" means a school which provides elementary education including education below grade 1, as determined under State law.

METHOD OF PAYMENT

SEC. 802. Payments under this Act to any individual or to any State or Federal agency, institution of higher education, or any other organization, pursuant to a grant, loan, or contract, may be made in installments, and in advance or by way of reimbursement, and, in the case of grants or loans, with necessary adjustments on account of overpayments or underpayments.

FEDERAL ADMINISTRATION

SEC. 803. (a) The Commissioner is authorized to delegate any of his functions under this Act, except the making of regulations, to any officer or employee of the Office of Education.

(b) In administering the provisions of this Act, the Commissioner is authorized to utilize the services and facilities of any agency of the Federal Government and of any other public or nonprofit agency or institution, in accordance with agreements between the Secretary and the head thereof.

FEDERAL CONTROL OF EDUCATION PROHIBITED

SEC. 804. (a) Nothing contained in this Act shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution, or over the selection of library resources by any educational institution.

(b) *Nothing contained in this Act or any other Act shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the membership practices or internal operations of any fraternal organization, fraternity, sorority, private club or religious organization at an institution of higher education (other than a service academy or the Coast Guard Academy) which is financed exclusively by funds derived from private sources and whose facilities are not owned by such institution.*

And the Senate agree to the same.

ADAM C. POWELL,
CARL D. PERKINS,
EDITH GREEN,
JOHN BRADEMAS,
HUGH L. CAREY,
JOHN H. DENT,
SAM M. GIBBONS,
CARLTON R. SICKLES,

Managers on the Part of the House.

WAYNE MORSE,
LISTER HILL,
PAT McNAMARA,
RALPH YARBOROUGH,
JOSEPH CLARK,
JENNINGS RANDOLPH,
ROBERT KENNEDY,
WINSTON L. PROUTY,
J. K. JAVITS,
PETER H. DOMINICK,

Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 9567) to strengthen the educational resources of our colleges and universities and to provide financial assistance for students in postsecondary and higher education, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate amendment strikes out all of the House bill after the enacting clause and inserts a substitute. The House recedes from its disagreement to the amendment of the Senate, with an amendment which is a substitute for both the House bill and the Senate amendment. The differences between the House bill and the substitute agreed to in conference are noted below except for clerical corrections, incidental changes made necessary by reason of agreements reached by the conferees, and minor drafting and clarifying changes.

TITLE I—COMMUNITY SERVICE AND CONTINUING EDUCATION PROGRAMS

Declaration of purpose

Section 101 of the House bill contained a number of congressional findings. These were that a greater involvement of institutions of higher education in the solution of problems brought about by increasing urbanization is essential to the rapid and effective solution of such problems, that an increase in the availability of educational offerings by such institutions for persons in the community is necessary in order to insure that the latest knowledge and techniques are brought to bear on urban and suburban problems, and that the strengthening of the resources of such institutions is desirable to facilitate a more effective utilization of such resources in meeting the growing needs of our urban and suburban communities. For these reasons it was declared to be the purpose of the title to provide a program of support for institutions of higher education in their establishing and maintaining community service programs designed to achieve these ends.

The Senate amendment provided that the purpose of the title is to assist the people of the United States in the solution of community problems, such as housing, poverty, government, recreation, employment, youth opportunities, transportation, health, and land use, by enabling the Commissioner to make grants and contracts under the title to strengthen continuing education and extension methods and teaching and the public service resources of colleges and universities.

The conference substitute adopts the Senate provision, except that instead of speaking of strengthening continuing education and extension methods and teaching, and the public service resources of colleges

and universities, it mentions strengthening the community service programs of such institutions.

Authorization of appropriations

The House bill authorized the appropriation of \$50,000,000 for fiscal year 1966 to enable the Commissioner to make grants under the title. For the 4 succeeding fiscal years there was authorized to be appropriated only such sums as the Congress may hereafter authorize by law. The Senate bill authorized \$25,000,000 for fiscal 1966, and \$50,000,000 for fiscal year 1967 and each of the 3 succeeding fiscal years.

The substitute agreed upon in conference authorizes the appropriation of \$25,000,000 for fiscal year 1966, and \$50,000,000 for each of the next 2 fiscal years. For the fiscal year 1969 and the succeeding fiscal year it provides that only such sums may be appropriated as the Congress may hereafter authorize by law.

Uses of funds

The House bill provided that the funds granted from the State's allotment must be used to provide new, expanded, or improved community service programs. "Community service program" was defined to mean an educational program, activity, or service, including a research program, specifically designed to assist in the solution of urban or suburban problems, or an educational program, activity, or service designed to assist in the solution of community problems where the institution offering the program, activity, or service determines that the proposed program, activity, or service is not otherwise available and that the content thereof is consistent with the institution's overall educational program and is appropriate to the effective utilization of its special resources and the competencies of its faculty. Under the House bill if the educational program, activity, or service involves course offerings, they must be university extension or continuing education courses and must be acceptable toward an academic degree or of a college level, but in no event can the course be of a frivolous nature.

The Senate amendment provided that funds granted from the State's allotment must be used for extension and continuing education activities and services designed to assist, particularly through new and advanced approaches, in the solution of rural and urban community problems.

The conference substitute adopts the term "community service program" and defines it to mean an educational program, activity, or service, including a research program and a university extension or continuing education offering, designed to assist in the solution of community problems in rural, urban, or suburban areas, with particular emphasis on urban and suburban problems, but only where the institutions offering the program, activity, or service determines it is not otherwise available and that carrying it out is consistent with the institution's overall educational program, and that it is of such a nature as is appropriate to the effective utilization of the institution's special resources and competencies. Where course offerings are involved, they must be university extension or continuing education courses and either fully acceptable toward a college degree, or of college level as determined by the institution offering the course. The reference to rural, urban, and suburban areas includes rural nonfarm areas.

The requirement that an institution determine that its proposed program is not otherwise available is intended to preclude duplication of existing effort, including overlap with the Agricultural Extension Service. It is not designed to prohibit the use of funds to expand existing community service programs for which there is an unsatisfied demand.

The restriction of courses to those of college level should not be construed to exclude non-secondary-school graduates from participation in programs carried out under this title.

The omission of the prohibition against courses of a frivolous nature should in no way be interpreted as permitting courses to increase the competence of an individual in purely recreational or social activities.

Allotments to Puerto Rico

Under the House bill, the Commonwealth of Puerto Rico would be given a preliminary allotment of \$25,000, as was the case for Guam, American Samoa, and the Virgin Islands. The Senate amendment provided that the Commonwealth of Puerto Rico would receive a preliminary allotment of \$100,000. The Senate recedes.

Matching

The House bill provided that the Federal share of the cost of programs under the title would be 75 percent in the fiscal year 1966, and 50 percent in the fiscal years 1967, 1968, 1969, and 1970. The Senate bill provided that the Federal share would be 75 percent in the fiscal years 1966 and 1967, and 50 percent in the fiscal years 1968, 1969, and 1970. The conference substitute adopts the provisions of the Senate amendment on this point.

Maintenance of effort

Both the House bill and the Senate amendment required that the State plan submitted under the title set forth policies and procedures designed to assure that the Federal funds made available will not supplant State or local funds or funds of institutions of higher education. The Senate amendment in addition provided that no payments could be made to any State from its allotment until the Commissioner finds that the institutions of higher education which will participate in carrying out the State plan have available during that year for expenditure from non-Federal sources for university extension and continuing education programs not less than the total amount actually expended by those institutions for such programs from non-Federal sources during the year 1965, plus an amount equal to not less than the non-Federal share of the costs with respect to which payment under the title is sought. The conference substitute includes this provision.

The Senate amendment also prohibited use of fee-related funds to meet the above requirement. This provision is dropped in the conference substitute.

Funds to cover administration of State plans

The House bill provided that no payment could be made to any State for developing and administering a State plan which exceeds 5 percent of the cost of developing and carrying out the States' plan for that year. The Senate amendment contained the same provision but added a provision to authorize the expenditure of \$25,000 in any

State where that amount is greater than 5 percent of such cost. The Senate provision is retained in the conference report.

Funds for experimental approaches and supplemental grants

The Senate amendment reserved 20 percent of the sums appropriated for purposes of the title for grants and contracts for experimental projects and for supplemental grants. The House bill contained no comparable provision. The Senate recedes.

Advisory Council

The House bill provided for the establishment in the Office of Education of a National Advisory Committee on Community Service Programs to advise the Commissioner in preparing general regulations and in the administration of the program provided for in the title. The Senate amendment directed the President to appoint a National Advisory Council on Extension and Continuing Education to advise the Commissioner in the preparation of general regulations and with respect to policy matters arising in the administration of the title and also with respect to approval of State plans, and policies to eliminate duplication and effectuate coordination of programs under the title and other programs of extension or continuing education. The Council would also advise the Commissioner on approval of projects and activities under the title. The Council was required to review all federally supported extension and continuing education programs. Beginning on March 31, 1967, it would file an annual report of its findings and recommendations to the Secretary and to the President. This report would be transmitted to the Congress with the comments and recommendations of the President.

The Senate amendment also authorized the Secretary to engage such technical assistance as might be required to carry out the functions of the Advisory Council. It also authorized the Advisory Council to utilize the services and facilities of other Federal agencies.

This section of the Senate amendment is included in the conference report with only minor and conforming changes.

The House bill contained a provision, nothing comparable to which appears in the Senate amendment, under which the Secretary is required, during 1968, to appoint a Review Council on Community Service Programs to review the administration of community service programs carried out under the title and make recommendations for the improvement of that administration. The Council was to include persons knowledgeable in the field of extension and continuing education, State and local officials having special knowledge, experience, or qualification with respect to community problems, and persons representative of the public. The Secretary was also authorized to engage technical assistance. The Council would make its report to the Secretary not later than March 31, 1969. This provision is not included in the conference report.

Limitation

The Senate amendment contained a provision, not present in the House bill, prohibiting the use of funds for activities and services related to sectarian instruction or religious worship, or provided by a school or department of divinity. This provision is retained in the conference report.

TITLE II—COLLEGE LIBRARY ASSISTANCE AND LIBRARY TRAINING
AND RESEARCH

PART A—COLLEGE LIBRARY RESOURCES

Authorization of appropriations

The House bill authorized the appropriation of \$50,000,000 for fiscal year 1966, and only such sums as may be hereafter authorized by law for the succeeding 4 fiscal years. The Senate amendment authorized \$50,000,000 for fiscal year 1966 and each of the 4 succeeding fiscal years. The substitute agreed upon in conference authorizes the appropriation of \$50,000,000 for the fiscal year 1966 and the 2 succeeding fiscal years. It provides that for the fiscal year 1969, and the next fiscal year, only such sums may be appropriated as the Congress may hereafter authorize by law.

Basic grants

The House bill provided basic grants to institutions of higher education for acquisition of library materials. It provided that the basic grant to an institution could not exceed \$5,000 for each institution. The comparable provision of the Senate amendment provided that the basic grant could not exceed \$5,000 for each institution of higher education and each branch of such institution which is located in a community different from that in which its parent institution is located. The conference substitute adopts the Senate version, with an amendment under which what constitutes a "branch" will be determined in accordance with regulations of the Commissioner. In permitting grants to be made to branches the conferees intend that grants be limited to branches which have college level programs for which library facilities are necessary, and that the proceeds of a grant on account of a branch be used to increase the library resources at the branch.

The Senate amendment also required the institution applying for a basic grant to provide for joint use of library facilities with other institutions where feasible. The House bill contained no comparable provision, and it is not included in the conference report. However, the managers on the part of the House expect that there will be joint use of library facilities where feasible.

Supplemental grants

The Senate amendment provided that funds remaining after making basic grants, plus any funds not needed for special purpose grants, could be used for supplemental grants. The House bill provided for the use of funds remaining after making basic grants to make supplemental grants, but did not permit the use of funds not needed for special grants for this purpose. It provided, instead, that funds not needed for the other types of grants be used for special purpose grants. The provision of the Senate amendment is included in the conference report. The conferees do not expect an institution to qualify for supplemental grants unless it has received basic grants in excess of \$1,500 on a matching basis.

The House bill provided that in awarding supplemental grants the Commissioner shall take into consideration the endowments and other financial resources of the institution. The Senate amendment required the Commissioner to give priority to institutions which need

financial assistance for library purposes. The conference report adopts this provision of the Senate amendment.

Special purpose grants

Both the House bill and the Senate amendment provided for use of 25 percent of the funds appropriated to carry out the part for special purpose grants. The House bill also permitted the use of funds not needed for the other grant programs to be used for special purpose grants. The Senate amendment, in contrast, provided that funds not used for special purpose grants could be used for supplemental grants.

In lieu of these provisions, the conference substitute provides that 25 percent of the sums appropriated to carry out the part for a fiscal year shall be used by the Commissioner as follows:

1. 60 percent may be used to make special purpose grants.

2. The sums not used for special purpose grants will be used in the manner prescribed for supplemental grants.

The Senate amendment specifically includes physical and social sciences as being among those eligible for special purpose grants. The House bill contained no comparable provision. The Senate recedes.

The Senate amendment provided that special purpose grants must be matched on the basis of one institutional dollar for every three Federal dollars, and required that the institution maintain its effort in this area. The House bill contained no comparable provision. The conference report adopts the substance of the Senate amendment on this point.

State agency consultation

The House bill required consultation by institutions of higher education with State higher education agencies where they exist. The Senate amendment contained no comparable provision. The conference substitute requires these institutions to inform periodically the State agency (if any) concerned with higher educational activities in the State of such institution's activities under the part.

PART B—LIBRARY TRAINING AND RESEARCH

Authorization of appropriations

The House bill authorized the appropriation of \$15,000,000 for fiscal year 1966, and only such sums as may hereafter be authorized for the succeeding 4 years. The Senate amendment authorized the appropriation of \$7,500,000 for fiscal year 1966 and \$15,000,000 for each of the 4 succeeding fiscal years.

The conference substitute authorizes the appropriation of \$15,000,000 for fiscal year 1966, and each of the two succeeding fiscal years, for carrying out this part. For the fiscal year 1969 and the next fiscal year only such funds may be appropriated as the Congress hereafter authorizes by law.

Training grants

The Senate amendment specifically includes training of specialists in the communication of information in the physical and social sciences as eligible training programs. The House bill did not specifically include these programs. The Senate recedes.

Research

The Senate amendment permitted research grants and contracts to individuals. The House bill did not. The Senate recedes.

The House bill permitted the Commissioner to appoint one nine-member advisory committee to assist in the administration of the program. The Senate amendment allowed the Commissioner to appoint the necessary number of technical advisory committees and panels of experts. The House provision is included in the conference report.

NDEA library institutes

The House bill repealed the authority for training institutes for elementary and secondary school librarians now contained in the National Defense Education Act of 1958, effective July 1, 1965. The Senate amendment contained no comparable provision. The conferees agreed to the House provision, but delayed its effectiveness until July 1, 1967. The conference committee expects that after June 30, 1967, the librarian institutes now authorized under the National Defense Education Act will be carried on under part B of title II of this act.

PART C—CATALOGING

Authorization of appropriations

The House bill authorized the appropriation of \$5,000,000 for the fiscal year 1966, and only such sums as may hereafter be authorized for the succeeding 4 fiscal years. The Senate amendment authorized the appropriation of \$5,000,000 for fiscal year 1966, \$6,315,000 for the fiscal year 1967, and \$7,770,000 for each of the 3 succeeding fiscal years. The conference substitute authorizes the appropriation of \$5,000,000 for fiscal year 1966, \$6,315,000 for fiscal year 1967, and \$7,700,000 for fiscal year 1968. For the fiscal year 1969 and the next fiscal year, only such sums may be appropriated as the Congress may hereafter authorize by law.

Purpose of program

The Senate amendment authorized the use of funds transferred under this part for distributing bibliographic information by printing catalog cards and by other means. The House bill did not authorize the use of these funds for such purpose. The conference report includes this provision of the Senate amendment.

TITLE III—STRENGTHENING DEVELOPING INSTITUTIONS

Authorization of appropriations

The House bill authorized the appropriation of \$30,000,000 for the fiscal year 1966 to carry out the title. For the 4 succeeding fiscal years only such sums could be appropriated as the Congress may hereafter authorize by law.

The Senate amendment authorized the appropriation of \$25,000,000 for the fiscal year 1966 and each of the 4 succeeding fiscal years for carrying out the provisions of the title with respect to developing institutions which plan to award one or more bachelor's degrees during the year. It authorized \$25,000,000 for the fiscal year 1966 and each of the 4 succeeding fiscal years for carrying out the provisions of the title with respect to developing institutions which do not plan to

award such degrees during the year. It authorized the appropriation of \$5,000,000 for the fiscal year 1966 and \$10,000,000 for the fiscal year 1967 and each of the 3 succeeding fiscal years for either of the foregoing purposes, or both, as determined by the Commissioner.

The substitute agreed upon in conference contains an authorization of \$55,000,000 for 1 year—the fiscal year 1966. It provides that 78 percent of the sums appropriated for the title may be used only for developing institutions which plan to award one or more bachelor's degrees during the year. The remainder may be used only for other institutions.

Qualifications of "developing institutions"

The House bill provided that for an institution to be a developing institution eligible for this program it must, among other things, (1) have been awarding bachelor's degrees for 5 years, and (2) be seriously handicapped in its efforts to improve its staff and services by lack of financial resources and a shortage of qualified professional personnel.

The Senate amendment permitted an institution of higher education (including a junior college or other 2-year institution) to be considered a "developing institution" if it met the accreditation requirements of the bill during the 2 preceding academic years.

The substitute includes the 2-year institutions within the scope of the title, but provides that all institutions must meet the accreditation requirements and must have been in existence for 5 academic years. This reflects the committee's determination that funds be used to support programs which will assist those institutions which are developing in the sense that they are unable to offer quality instruction, not simply because they are rapidly expanding.

The committee intends that the Commissioner in prescribing regulations defining the term "developing institution" will strictly adhere to the description of such institutions contained in both the House and Senate reports.

Types of programs

The Senate amendment, unlike the House bill, specifically included programs to strengthen the administration of developing institutions. The conference substitute includes this provision.

The Senate amendment permitted cooperative programs under which persons from developing institutions may receive fellowships leading to advanced degrees. No specific authority was contained in the House bill. This provision is retained in the conference report.

TITLE IV—STUDENT ASSISTANCE

PART A—EDUCATIONAL OPPORTUNITY GRANTS

General

The House bill and Senate amendment both include programs to provide financial assistance to enable deserving students to attend college. However, the two programs differ completely as to the manner in which this assistance would be provided. The House bill amended the student loan title of the National Defense Education Act of 1958, to provide that 25 percent of the amount authorized for student loan funds could be used to make educational opportunity grants to needy students. The Senate amendment, in contrast, did

not amend the National Defense Education Act, but instead provided an independent program under which grants would be made to institutions of higher education to enable them to provide scholarships.

The substitute agreed upon in conference adopts the general structure of the Senate amendment, while retaining (as explained hereafter in detail) most of the requirements of the House bill relating to qualifications for and amounts of educational opportunity grants.

Authorization of appropriations

The Senate amendment authorized the appropriation of \$70,000,000 for fiscal year 1966, and each of the 4 succeeding fiscal years for paying for the initial year of scholarships awarded under the program. The conference substitute authorizes the appropriation of \$70,000,000 for fiscal year 1966, and each of the next 2 fiscal years, for making payments for the initial year of educational opportunity grants (the name given these grants in the House bill and adopted in the conference report). For the fiscal year 1969, and the next fiscal year, the conference substitute permits the appropriation of only such sums as may hereafter be authorized by law.

Amount of grant

Under the House bill the maximum educational opportunity grant which could be made to a student for any year was \$800; and in no event could the grant constitute more than one-half of the total financial aid provided the student by the institution (excluding assistance from work-study programs) and by any State or private scholarship program. Under the Senate amendment the maximum size of a scholarship for a year was \$800, but the maximum size was increased to \$1,000 in the case of a student in the upper half of his class.

The conference substitute provides that the maximum amount of an educational opportunity grant may not exceed the lesser of \$800 or one-half of the sum of the amount of student financial aid (excluding assistance from work-study programs) provided by the institution or by a State or private scholarship program. If the student is in the upper half of his class, the maximum amount will be increased \$200, if needed.

Allotments among States

Since the House bill provided that educational opportunity grants would be made from NDEA student loan funds, the effect was to allot funds for this program on the basis of the NDEA formula. Under that formula, funds are allotted among the States on the basis of the relative number of students enrolled in institutions of higher education in the several States. The Senate amendment allotted the funds among the States, one-third as funds for NDEA student loan programs are allotted, one-third on the basis of relative numbers of secondary school graduates in the several States, and one-third on the basis of the relative number of related children under 18 years of age living in families with annual incomes of less than \$3,000.

The conference substitute provides that all the funds will be allotted according to the formula used for allotting NDEA student loan funds.

State scholarship funds

The Senate amendment permitted payment (with 50-percent matching and maintenance of effort) of up to 15 percent of a State's appor-

tionment for use in the State's scholarship programs which are comparable to the Federal program. The House bill did not contain this provision, and it is not included in the agreement reached in conference.

Coordination of student assistance programs

As mentioned above, under the House bill educational opportunity grants had to be supplemented by assistance under other programs. The Senate bill did not include the House provision, but did require institutions, where appropriate, to combine financial assistance under this program with assistance derived from other public and private programs. Since the House provision referred to above was retained in the conference report, the Senate provision was dropped.

Cooperative motivational programs

Both the House bill and the Senate amendment contained provisions requiring institutions of higher education to make vigorous efforts to identify qualified youths from low-income families and to encourage them to continue their education beyond secondary school. The provision in the Senate amendment which permitted institutions to use up to 5 percent of their grants for these activities is not included in the conference report.

Transfers to NDEA student loan funds

The Senate amendment permitted an institution to transfer 25 percent of funds granted it under the part to its NDEA student loan fund. The conference report retains this provision.

PART B—GUARANTEED REDUCED INTEREST LOANS

General

The House bill and Senate amendment contained generally similar provisions for Federal, State, and private programs of low-interest insured loans to students in institutions of higher education. There were a number of technical differences between the two versions, but the conference report accepts the provisions of the House bill, except as noted below.

Moratorium for repayment

The Senate amendment provided a moratorium on repayment of federally guaranteed loans during the time the borrower is a full-time student and for a period of not to exceed 3 years during which the borrower is a member of the Armed Forces or a volunteer in the Peace Corps. This provision is retained in the conference report.

Beginning date for repayments

The House bill provided that repayments cannot be required to begin before 6 months after the end of the student's educational program. The Senate amendment substituted 9 months for the 6-month figure in the House bill. The 9-month figure is adopted in the conference report.

Advisory Council on Insured Loans for Students

The Senate amendment established an Advisory Council on Insured Loans for Students to advise the Commissioner in preparation of general regulations and with respect to policy needs arising in the administration of the program. There was no comparable provision in the House bill.

The conference substitute accepts this provision with two changes. It deletes the requirement that the Council advise the Commissioner in the preparation of general regulations, and inserts a provision giving the members of the Council the usual per diem rates of pay.

Definition of "eligible institution"

The House bill limited the institutions which would be eligible to participate to 4-year and 2-year institutions which are accredited and provide courses acceptable for credit toward a bachelor's degree.

The Senate amendment broadened the definition of "eligible institution" to include (1) institutions which are not yet accredited but which, in the judgment of the Commissioner, will be accredited in a reasonable time; (2) collegiate and associate degree schools of nursing; and (3) other schools which provide not less than a 1-year program of training to prepare students for gainful employment in a recognized occupation. The conference substitute contains the Senate provision.

PART C—COLLEGE WORK-STUDY PROGRAM EXTENSION AND AMENDMENT

Authorization of appropriations

The House bill authorized the appropriation of \$129,000,000 to carry out the part during the fiscal year 1966, and such sums as the Congress may hereafter authorize by law for the next 4 fiscal years. The Senate amendment authorized the appropriation of \$129,000,000 for fiscal year 1966, \$165,000,000 for fiscal year 1967, \$200,000,000 for fiscal year 1968, and \$235,000,000 for the fiscal year 1969 and the next fiscal year. The conference report authorizes the appropriation of \$129,000,000 for fiscal year 1966, \$165,000,000 for fiscal year 1967, and \$200,000,000 for fiscal year 1968.

Limitation on types of work

The Senate amendment made applicable to all work carried on under work-study programs, the requirements now applicable to off-campus work. It also adds a requirement that the work be such as would not otherwise be performed by nonstudents. The Senate provision was accepted in conference with an amendment deleting the requirement that the work be such as would not otherwise be performed by nonstudents.

Payment of institutional share

The present law requires institutions to bear 10 percent of the cost of work-study programs. The Senate amendment permitted institutions to pay this share to students in the form of services and equipment furnished by the institutions. This provision is included in the conference report.

PART D—AMENDMENTS TO NATIONAL DEFENSE EDUCATION ACT OF 1958

Conditions of agreements; administrative costs

The Senate amendment contained an amendment to clause (3) of section 204 of the National Defense Education Act of 1958 (referred to as the NDEA) which required that agreements between the Commissioner and institutions participating in the loan program provide that student loan funds may be used for routine expenses (within specified limits) incurred by the institution in administering the student loan fund, and for collection costs (in addition to costs of

litigation) agreed to by the Commissioner. The House bill contained no comparable provision. The conference report adopts this provision of the Senate amendment.

Technical amendment for part-time students

The Senate amendment contained an amendment to section 205(b)(2) of the NDEA to authorize institutions to determine whether loans shall be repaid in equal (or if the borrower requests, in graduated periodic installments determined in accordance with schedules approved by the Commissioner) quarterly, bimonthly, or monthly installments. It also amended section 205(b)(2) to provide that repayment of principal, together with interest, is to commence 9 months after the date on which the borrower ceases to carry at least half the normal full-time academic workload, and end 10 years and 9 months after such date except that interest shall not accrue and no installment need be paid while the borrower is carrying (at an institution of higher education or comparable institution outside the States, approved for this purpose by the Commissioner) at least one-half the normal full-time academic workload, as determined by the institution. The amendments made by this provision would apply to loans outstanding on the date of enactment only with the consent of the borrower and the lending institution.

The House bill contained no comparable provision. The conference report adopts this provision of the Senate amendment.

Minimum rate of repayment

The Senate amendment contained an amendment to section 205(b)(2) of the NDEA to authorize institutions to require that the rate of repayment by a borrower on all title II loans extended him must be not less than \$15 per month. The amendment made by this provision would be applicable only with respect to loans made after the date of enactment.

The House bill contained no comparable provision. The conference report adopts this provision of the Senate amendment.

Cancellation of loans for teachers

The Senate amendment contained an amendment to section 205(b)(3) of the NDEA in three respects: First, to provide that the portion of the loans to be forgiven teachers is to be calculated as a percentage of the original total of the loans in question rather than, as the law now provides, of the amount of the loan remaining unpaid on the first day of service as a teacher; second, to provide that the prescribed portions of the loan to be forgiven shall be forgiven for each academic year "or its equivalent"; and third, to provide that the cancellation rate for teachers shall be 15 percent for each complete academic year, or its equivalent, of service as a full-time teacher in a public or other nonprofit elementary or secondary school which is in the school district of a local educational agency eligible in such year for assistance under title II (financial assistance to local educational agencies for the education of children of low-income families) of Public Law 874, 81st Congress, and which has been determined to be a school in which there is a high concentration of students from low-income families. Such a determination may be made only with respect to 25 percent of the schools in a State. For purposes of such cancellation, an additional 50 percent of any loan (plus interest) may be canceled.

The House bill contained no comparable provision. The conference report adopts this provision of the Senate amendment, but with a limitation that no borrower may receive a refund by reason of subsequent forgiveness of amounts he has repaid.

Charges

The Senate amendment contained an amendment to section 205 of the NDEA by adding a new subsection (c) to authorize institutions to assess charges against borrowers who fail to pay all or any part of an installment when due, and against borrowers who are entitled to deferment benefits or cancellation benefits but who fail to file timely and satisfactory evidence of such entitlement. Such charges may amount to \$1 for the first month of late payment and \$2 each month thereafter, except that for bimonthly or quarterly repayment intervals, the charge may be \$3 and \$6, respectively. Institutions would be authorized to elect whether to add these charges to the principal amount of loans as of the first day after the day on which such installment or evidence was due, or to make the amount of the charge payable to the institution not later than the due date of the next installment after receipt by the borrower of notice of the assessment of the charge. The amendment would be applicable only with respect to loans made after the date of enactment.

The House bill contained no comparable provision. The conference report adopts this provision of the Senate amendment.

Economics, civics, and industrial arts

The Senate amendment contained an amendment to clauses (1) and (5) of section 303(a) of the NDEA pertaining to State plans under which financial assistance is extended for strengthening instruction in science, mathematics, modern foreign languages, and other critical subjects, to include "economics" among subjects which may be included in programs by State educational agencies. This provision also authorized increased appropriations (from \$90 to \$100 million) for fiscal years 1966, 1967, and 1968 for carrying out title III of the NDEA.

In addition this provision amended section 1101 of the NDEA (authorizing short-term or regular session institutes for advanced study) to provide for the authorization of \$50 million (rather than \$32,750,000) for fiscal 1966 and for each of the 2 succeeding years. It also amended section 1101 to expand the categories of eligible support to include institutes to improve the qualification of individuals who are engaged in or preparing to engage in the teaching or the supervising or training of teachers, of economics, civics, and industrial arts.

The House bill contained no comparable provisions. The conference report adopts these provisions of the Senate amendment.

TITLE V—TEACHER PROGRAMS

PART A—GENERAL PROVISIONS

Advisory council on quality teacher preparation

The Senate amendment provided for the establishment of an Advisory Council on Teacher Preparation in the Office of Education. The Commissioner would be Chairman of the Council, and he would appoint (with the approval of the Secretary) the 12 members of the

Council. Such 12 members would include persons knowledgeable with respect to teacher preparation and the needs of urban and rural schools. The purpose of the Council would be to review the administration and operation of the programs carried out under this title and under all other Federal programs for complementary purposes.

The provision also provided for compensation of Council members who are not regular full-time employees of the United States, and allowed the Council to appoint an executive secretary and such other employees as it deemed necessary to carry out its functions under this part.

The House bill contained no comparable provisions. The conference report adopts these provisions of the Senate amendment, but changes the name of the Council to the Advisory Council on Quality Teacher Preparation.

Limitation

The Senate amendment provided that nothing contained in this title shall be construed to authorize the making of any payment under this title for religious worship or instruction. The conference report adopts this provision of the Senate amendment.

PART B—NATIONAL TEACHER CORPS

Statement of purpose and authorization of appropriations

The Senate amendment provided that it is the purpose of this part to improve the educational opportunities available to children in areas having a concentration of low-income families, and at the same time to encourage the development of broader programs of teacher preparation in colleges and universities, by attracting and training both qualified teachers and inexperienced teacher-interns who will be made available to local educational agencies in low-income areas.

The Senate amendment authorized, for the purpose of carrying out this part, the appropriation of \$36,100,000 for the fiscal year ending June 30, 1966, and \$64,715,000 for the fiscal year ending June 30, 1967, and for each of the four succeeding fiscal years.

The House bill contained no comparable provision. The conference report adopted this provision, but restricted the authorization to the first 2 years.

Establishment of National Teacher Corps

The Senate amendment provided that a National Teacher Corps, to be headed by a Director and a Deputy Director, would be established in the Office of Education in order to carry out the purposes of this part. The House bill contained no comparable provision. The conference report adopts this provision of the Senate amendment.

Teacher Corps program

The Senate amendment authorized the Commissioner to (1) recruit, select, and enroll both experienced teachers and inexperienced teacher-interns (who have a bachelor's degree or its equivalent) in the Teacher Corps for periods of up to 2 years; (2) enter into arrangements with institutions of higher education or State or local educational agencies to provide members of the Teacher Corps with appropriate training, including a maximum of 3 months' training before undertaking their teaching duties; (3) enter into arrangements (including the payment of cost of such arrangements) with local educational agencies to

furnish experienced teachers and teaching teams (consisting of one experienced teacher and a number of teacher-interns) for service during regular or summer sessions, or both, in the schools of such agencies in areas having concentrations of children from low-income families, and under which arrangements teacher-interns would be afforded time by the local educational agency for a teacher-intern training program carried out under the guidance of the experienced teacher in cooperation with an institution of higher education; (4) pay to local educational agencies the amount of compensation which such agencies pay to members of the Teacher Corps assigned to them; and (5) employ experts and consultants or organizations thereof to assist the Commissioner in carrying out his functions under this part. The House bill contained no comparable provision. The conference report adopts this provision of the Senate amendment.

The Senate amendment provided that, wherever possible, arrangements with institutions of higher education to furnish training to teacher-interns while such interns are teaching, shall provide for training leading to a graduate degree. The House bill contained no comparable provision. The conference report adopts this provision of the Senate amendment, but omits authority for the employment of experts, consultants, or organizations.

The Senate amendment provided that when the demand for the services of Teacher Corps members exceeds the supply, the Commissioner shall, to the extent practicable, allocate those members available among the States in proportion to the number of children counted in each State for the purpose of making basic grants under title II of Public Law 874, 81st Congress, for the fiscal year for which such allocation is made. The House bill contained no comparable provision. The conference report adopts a substitute for this provision of the Senate amendment which provides that if demand for Teacher Corps members exceeds supply, the Commissioner may allot up to 2 percent of the members to Puerto Rico and the Virgin Islands. The remainder would be allotted in accordance with the Senate amendment.

The Senate amendment provided that Teacher Corps members may be utilized by a local educational agency to provide educational services available to children enrolled in private elementary and secondary schools, in the manner described in section 205(a)(2) of Public Law 874, 81st Congress. The House bill contained no comparable provision. The conference report adopts this provision of the Senate amendment.

Compensation

The Senate amendment required that an arrangement with a local educational agency must provide that Teacher Corps members must be compensated by that agency at the following rates: (1) Experienced teachers must receive pay equivalent to that received by teachers with similar training experience and duties who are employed by the local educational agency; (2) experienced teachers leading teaching teams must be compensated at a rate agreed upon by the Commissioner and the agency; and (3) teacher-interns must be compensated at the lowest rate paid by such agency for full-time teaching in the school system and grade to which the intern is assigned.

The Senate amendment authorized the Commissioner to pay stipends to Teacher Corps members while such members are in training. Such payments may include allowances for subsistence and

other expenses for such members and their dependents, and are to be consistent with prevailing practices under comparable federally supported training programs.

In addition, the Senate amendment authorized the Commissioner to pay certain necessary expenses of Teacher Corps members, including travel, transportation of household goods, and readjustment allowances proportionate to service, and to arrange to protect the tenure, retirement rights, and similar employee benefits of any Teacher Corps member who wishes to return to the local educational agency or institution of higher education by which he was employed immediately prior to his service in the Corps.

The House bill contained no comparable provisions. The conference report adopts these provisions of the Senate amendment.

Application of provisions of Federal law

The Senate amendment provided:

(1) A Teacher Corps member is not to be deemed a Federal employee, except as is otherwise specifically provided in this section, and is not subject to those provisions of law relating to Federal employment.

(2) Teacher Corps members shall be deemed to be Federal civil employees within the meaning of section 40 of the Federal Employees' Compensation Act (5 U.S.C. 790) for the purposes of the administration of that act, and the provisions of that act shall apply except as hereinafter provided. For purposes of this subsection the term "performance of duty" in the Federal Employees' Compensation Act shall not include any act of a member of the Teacher Corps while on authorized leave, or while absent from his assigned post of duty, except while participating in an activity authorized by the Commissioner. In computing compensation benefits for disability or death under the Federal Employees' Compensation Act, the monthly pay of a member of the Teacher Corps shall be deemed to be his actual pay or that received under the entrance salary for GS-6, whichever is greater.

(3) Members of the Teacher Corps shall be deemed to be employees of the Government for the purposes of the Federal Tort Claims Act.

The House bill contained no comparable provisions. The conference report adopts these provisions of the Senate amendment.

Local control preserved

The Senate amendment provided that members of the Teacher Corps would be under the direct supervision of the local educational agencies to which they are assigned, and such agencies would retain the authority to assign such members within their systems, make transfers within their systems, determine the subject matter to be taught, and determine the terms and continuance of the assignment of such members within their systems. The House bill contained no comparable provision. The conference report adopts this provision of the Senate amendment.

Maintenance of effort

The Senate amendment provided that no member of the Teacher

Corps may be used by any local educational agency to replace any teacher who is or would otherwise be employed by such agency.

The House bill contained no comparable provision. The conference report adopts this provision of the Senate amendment.

PART C—FELLOWSHIPS FOR TEACHERS

General

Part C of title V of the Senate amendment provided for the establishment of a program of fellowships for elementary and secondary school teachers. The House bill did not provide for a comparable program. The conference report adopts a substitute for the provisions of the Senate amendment.

Statement of purpose

The Senate amendment provided that the purpose of this part is to provide opportunities for advanced training, particularly in substantive field areas, for teachers and personnel serving in ancillary fields. The conference substitute states that it is the purpose of this part to carry out the policy of the United States to improve elementary and secondary education by improving the quality of career elementary and secondary school personnel by awarding fellowships for graduate study at institutions of higher education and by strengthening teacher education programs in institutions of higher education.

Fellowships authorized

The Senate amendment authorized the award of fellowships to elementary and secondary school and post secondary vocational school teachers for master's degrees in education, in the subject which the recipient teaches, or in certain ancillary fields. 4,500 fellowships were authorized for fiscal year 1966; 10,000 for fiscal year 1967; and 15,000 for each of the 3 succeeding years. 40 percent of the fellowships were reserved for recent graduates. The remainder were to go to teachers with at least 5 years' experience, of whom 20 percent could be teachers displaced from their employment by reason of the enforcement of the Civil Rights Act of 1964, or court orders. Between 20 and 25 percent of all fellowships were reserved for persons in fields ancillary to elementary or secondary education or to postsecondary vocational education.

The conference substitute provides for fellowships for graduate degrees, other than doctor of philosophy (or its equivalent) for persons pursuing or who plan to pursue a career of teaching in elementary or secondary schools; a career of teaching, guiding, or supervising such teachers or persons who plan to become such teachers; or a career in fields which are directly related to teaching in elementary or secondary schools. 4,500 fellowships are authorized for fiscal year 1966, and 10,000 each are authorized for fiscal years 1967 and 1968. Recipients of fellowships must study at institutions whose programs are approved under section 524. The provisions of the Senate amendment relating to the reservation of portions of the fellowships for certain categories of teachers have been dropped, but the conference committee expects that up to 20 percent of the fellowships will be awarded to persons who have been displaced in their employment as professional employees of local educational agencies as a result of changes of school populations brought about by the enforcement of the Civil Rights Act of 1964, or the carrying out of the purpose of such act.

Allocation of fellowships

The Senate amendment provided that the Commissioner should endeavor to distribute fellowships equitably throughout the Nation, and that he should give preference in such awards to persons already serving, or intending to serve, in low-income areas.

The conference substitute provides that the Commissioner shall allocate fellowships to institutions of higher education with approved programs for the use of individuals accepted into such programs, in a manner (1) which provides an equitable distribution of such fellowships throughout the States (except that he may, after consultation with the Advisory Council on Quality Teacher Preparation, give preference to programs designed to meet an urgent national need), and (2) which encourages experienced teachers in elementary or secondary schools and other experienced personnel in elementary or secondary education to enter graduate programs, attracts recent college graduates into the field of elementary or secondary education, and affords opportunities for college graduates engaged in other occupations or activities to enter or reenter the field of elementary or secondary education.

Approval of programs; grants

The Senate amendment (in pt. D of title V) authorized \$5 million annually for a 5-year program of assistance, through grant or contract, to institutions of higher education for developing and strengthening graduate and high quality undergraduate teacher training programs, for the purpose of obtaining an appropriate geographical distribution of high quality programs for the training of elementary and secondary school personnel. The Commissioner was to set forth in regulations the standards and priorities which would be utilized in approving such grants and contracts.

The Senate amendment also set out the standards which the Commissioner was to use in determining whether or not a graduate program of an institution of higher education would qualify for assistance under this part. Such a program must (1) improve the quality of teacher education, (2) give major emphasis to high-quality substantive courses, (3) either be in effect or be attainable as a result of assistance received under this part, and (4) be open only to those with a serious intent to pursue a career in education.

Section 524 of the conference substitute adopts the provisions relating to assistance to graduate programs at institutions of higher education, but integrates this program of institutional assistance with the fellowship program by permitting assistance only to institutions participating in the fellowship program. The separate money authorization for assistance to institutions is omitted.

Stipends

The Senate amendment provided that a fellowship for recent graduates carries a stipend of \$2,000 for the first academic year and \$2,200 for the second year. A fellowship for experienced teachers carried a stipend of \$4,800 for each academic year of study. An additional \$400 per year would be paid to each fellowship recipient for each of his dependents.

The Senate amendment authorized the payment of \$3,000 per academic year to the institution of higher education where a recipient of a fellowship is studying. This amount will be less any amount charged any such recipient for tuition. The Commissioner

was also authorized to reimburse a fellowship recipient for necessary traveling expenses of the recipient and his dependents.

The conference substitute permits the Commissioner to pay to persons awarded fellowships such stipends (including such allowances for subsistence and other expenses for such members and their dependents) as he may determine to be consistent with prevailing practices under comparable federally supported programs. In addition, the Commissioner will pay to the institution of higher education at which such person is pursuing his course of study an amount equivalent to \$2,500 per academic year, less any amount charged such person for tuition and nonrefundable fees and deposits.

Limitation

The conference report adopts the provision of the Senate amendment which provides that no fellowship shall be awarded for study at a school or department of divinity, which means an institution or department or branch of an institution, whose program is specifically for the education of students to prepare them to enter upon some religious vocation.

Fellowship conditions

The Senate amendment provided that a recipient must, in order to remain eligible for his fellowship payments, maintain satisfactory proficiency in, and devote essentially full time to, study or research in the field in which such fellowship was awarded, in an institution of higher education, and must not engage in gainful employment other than part-time employment which has been approved by the Commissioner.

The conference report adopts this provision with an additional requirement that part-time employment be related to the recipient's training.

Appropriations

The Senate amendment authorized the appropriation of such amounts as may be necessary to carry out the provisions of this part. The conference substitute authorizes \$40,000,000 for fiscal year 1966; \$160,000,000 for fiscal year 1967; \$275,000,000 for fiscal year 1968; and such sums for the 2 succeeding fiscal years as may be necessary to enable persons who have been awarded fellowships prior to July 1, 1968, to complete their study under the fellowships.

TITLE VI—FINANCIAL ASSISTANCE FOR THE IMPROVEMENT OF UNDERGRADUATE INSTRUCTION

PART A—EQUIPMENT

Statement of purpose and authorization of appropriations

The Senate amendment stated that the purpose of this part is to improve the quality of classroom instruction in selected subject areas in institutions of higher education, and authorized:

(1) The appropriation of \$35,000,000 for fiscal year 1966, \$50,000,000 for fiscal year 1967, and \$60,000,000 for fiscal years 1968, 1969, and 1970, to enable the Commissioner to make grants to institutions of higher education for the acquisition of equipment and for minor remodeling.

(2) The appropriation of \$2,500,000 for fiscal year 1966, and \$10,000,000 for fiscal years 1967, 1968, 1969, and 1970, to enable

the Commissioner to make grants to institutions of higher education for the acquisition (including purchase or lease) of television equipment and for minor remodeling.

(3) The appropriation of not more than \$1,000,000 for fiscal year 1966 and for each of the 4 succeeding fiscal years, to enable the Commissioner to make grants for the proper and efficient administration of State plans approved under this part, including expenses which he determines are necessary for the preparation of such plans.

The House bill contained no comparable provisions. The conference report adopts these provisions of the Senate amendment, but limits all of the authorizations to the first 3 years. For the fiscal years 1969 and 1970 only such sums may be appropriated as Congress hereafter authorizes by law.

Allotments to States

The Senate amendment provided that of the funds appropriated for any fiscal year for acquisition of equipment, one-half shall be allotted by the Commissioner among the States on the basis of the number of students enrolled in institutions of higher education in each State. The remaining one-half would be allotted by the Commissioner among the States in accordance with a formula which would take into account the college enrollment of each State and its relative per capita income.

The Senate amendment provided that a State's allotment under the preceding paragraph would be available in accordance with the provisions of this part for payment of the Federal share of the cost of equipment and minor remodeling.

The Senate amendment also provided for reallocation of unused State allotments.

The House bill contained no comparable provision. The conference report adopts this provision of the Senate amendment.

State commissions and plans

The Senate amendment required a State desiring to participate under this part to designate for that purpose an existing State agency which is broadly representative of the public and of institutions of higher education in the State. If no such State agency exists, the State may establish such an agency. The agency so designated or established (hereafter referred to as the "State commission") must submit to the Commissioner a State plan for participation. The Commissioner must approve any such plan which meets the following requirements: The plan must provide that it shall be administered by the State commission. It must set forth, consistently with basic criteria prescribed by regulation (A) objective standards and methods for determining the relative priorities of eligible projects for the acquisition of specified laboratory and other special equipment, including minor remodeling of classroom or other space used for such materials or equipment; (B) objective standards and methods for determining relative priorities of eligible projects for (i) the acquisition of television equipment for closed-circuit direct instruction in specified fields (but not broadcast transmission equipment), (ii) the acquisition of necessary instructional materials for use in such television instruction, and (iii) minor remodeling necessary for such television equipment; and (C) objective standards and methods for determining the Federal share of the cost of each such project.

The plan must also provide (A) for assigning priorities solely on the basis of such criteria, standards, and methods to eligible projects submitted to the State commission and deemed by it to be otherwise approvable under the provisions of this part; and (B) for approving and recommending to the Commissioner, in the order of such priority, applications covering such eligible projects, and for certifying to the Commissioner the Federal share, determined by the State commission under the State plan, of the cost of the project involved. The plan must provide for affording to every applicant, which has submitted to the State commission a project, an opportunity for a fair hearing before the commission as to the priority assigned to the project or as to any other determination of the commission adversely affecting the applicant. Finally, the plan must provide for adequate fiscal control and fund accounting procedures and for the making of such reports as may be reasonably necessary to enable the Commissioner to perform his functions under this part.

The House bill contained no comparable provision. The conference report adopts this provision of the Senate amendment.

Basic criteria for determining priorities, Federal share, and maintenance of effort

The Senate amendment provided that as soon as practicable after the enactment of this act, the Commissioner shall by regulation prescribe basic criteria governing the provisions of State plans setting forth standards and methods for determining relative priorities of eligible projects, and governing the application of these standards and methods to eligible projects. These basic criteria must be such as will best tend to achieve the objectives of this part while leaving adequate flexibility for the development of State plan standards and methods. The basic criteria must give special consideration to the financial need of the institution. Subject to the foregoing requirements, these regulations may establish additional and appropriate basic criteria.

The Senate amendment also provided that the Federal share for the purposes of this part would be 50 percent of the cost of the project, except that a State commission may increase this share to not more than 80 percent of that cost in the case of any institution proving insufficient resources to participate in the program under this part and inability to acquire such resources. An institution of higher education which obtains a grant for a project pursuant to this part in any fiscal year must agree to expend during that year for the same purpose an amount at least equal to the amount expended by such institution for that purpose during the previous fiscal year.

The House bill contained no comparable provision. The conference report adopts this provision of the Senate amendment, with one change which would permit the Federal share to be less than 50 percent.

Applications for grants and conditions for approval

The Senate amendment provided that institutions of higher education which desire to obtain grants under this part shall submit applications at such times and in such manner as may be prescribed by the Commissioner.

The Senate amendment also provided that the Commissioner must approve an application covering a project under this part and meeting the requirements of the preceding paragraph if the following conditions have been met: (1) The project has been approved and recommended

by the appropriate State commission; (2) the State commission has certified to the Commissioner the Federal share of the cost of the project, and sufficient funds to pay such Federal share are available from the applicable allotment of the State; (3) the project has been assigned a priority that is higher than that of all other projects within such State (chargeable to the same allotment) which meet all the requirements of this section and for which Federal funds have not yet been reserved; (4) the Commissioner determines that the project will be undertaken in an economical manner and will not be overly elaborate or extravagant; and (5) the Commissioner determines that the application contains or is supported by satisfactory assurances (A) that Federal funds received by the applicant will be used solely for the project covered by such application, (B) that sufficient funds will be available to meet the non-Federal portion of such cost and to provide for the effective use of the equipment upon completion, and (C) that the institution will meet the maintenance of effort requirement.

The House bill contained no comparable provision. The conference report adopts this provision of the Senate amendment.

Amount of grant—Payment

The Senate amendment provided that upon his approval of any applications for a grant under this part, the Commissioner shall reserve from the applicable allotment the Federal share of the cost of the project covered by such application. The Commissioner's reservation of any amount under this section may later be amended by him.

The House bill contained no comparable provision. The conference report adopts this provision of the Senate amendment.

Administration of State plans

The Senate amendment provided that the Commissioner shall not finally disapprove any State plan without first affording the State commission submitting the plan reasonable notice and opportunity for a hearing. It also provided for terminating the eligibility of a State whenever the Commissioner, after reasonable notice and opportunity for hearing to the State commission administering the State plan, finds that the State plan has been so changed that it no longer complies with the requirements for State plans, or that in the administration of the plan there is a failure to comply substantially with any such requirement.

The House bill contained no comparable provision. The conference report adopts this provision of the Senate amendment.

Judicial review

The Senate amendment provided for judicial review if any State is dissatisfied with the Commissioner's final action with respect to the approval of its State plan submitted under this part or with his final action under the provisions relating to administration of State plans.

The House bill contained no comparable provision. The conference report adopts this provision of the Senate amendment.

Limitation on payments

The Senate amendment provided that nothing contained in this part shall be construed to authorize the making of any payment under this part for any equipment or materials for religious worship or instruction.

The House bill contained no comparable provision. The conference report adopts a substitute for this provision prohibiting grants under

this part for equipment or materials for sectarian instruction or religious worship, or primarily in connection with the program of a school or department of divinity.

PART B—FACULTY DEVELOPMENT PROGRAMS

Institutes authorized

The Senate amendment authorized the appropriation of \$5 million for fiscal year 1966, and for each of the 4 succeeding fiscal years to enable the Commissioner to arrange, through grants or contracts, with institutions of higher education for the operation by them of short-term workshops or short-term or regular session institutes. These workshops and institutes would be for individuals who are engaged in (or preparing to engage in) the use of educational media equipment in teaching in institutions of higher education, or who are (or are preparing to be), in institutions of higher education, specialists in educational media or librarians or other specialists using such media.

The House bill contained no comparable provision. The conference report adopts this provision of the Senate amendment, but limits the authorization to 3 years.

Stipends

The Senate amendment provided that each individual who attends an institute operated under the provisions of this part shall be eligible to receive a stipend at the rate of \$75 per week for the period of his attendance at such institute, plus an additional stipend at the rate of \$15 per week for each dependent. No stipends shall be paid for attendance at workshops. The House bill contained no comparable provision. The conference report adopts this provision of the Senate amendment.

TITLE VII—AMENDMENTS TO HIGHER EDUCATION FACILITIES ACT OF 1963

Authorization of appropriations

The House bill increased the authorization of appropriations for making grants under the Higher Education Facilities Act of 1963 for construction of undergraduate academic facilities for the fiscal year 1966 from \$230,000,000 to \$460,000,000. The Senate amendment increased the authorization to \$330,000,000. The conference substitute adopts the House figure.

The doubling of amounts for the construction of graduate academic facilities contained both in the House bill and the Senate amendment is intended to stimulate construction at all graduate schools, including those offering programs leading to a first degree in law.

Eligibility for grants

The present act provides that one of the requirements a construction project must meet for approval is that it will result in an urgently needed substantial expansion of the institution's student enrollment capacity. The Senate amendment added, as an alternative, that it could result in such an expansion of its capacity to carry out extension and continuing education programs. The provision from the Senate amendment is included in the conference report, with an amendment making clear that the expansion of capacity must be for on-campus

activities. The committee wishes to emphasize that the provisions of the existing act provide that special consideration will be given to projects designed to expand undergraduate enrollment capacity and that funds may only be used for the construction of "academic facilities."

Transfers of allotments

The Senate amendment contained a provision, not present in the House bill, which permitted, at the discretion of the Governor, the transfer of allotments for public community colleges and technical institutes to other public institutions of higher education, and the transfer of allotment for 4-year institutions to public community colleges and technical institutes. The conference agreed to a substitute under which either a State's allotment under section 103 for public community colleges and public technical institutes or its allotment under section 104 for other institutions could be transferred for use under the other section if the State commission has not received an application for grants under the section in question prior to January 1 of the year, and it requests such transfer.

Period of availability of funds

The Senate amendment provided that funds appropriated to carry out title II of the Higher Education Facilities Act of 1963 would be available for 3 years, and makes funds appropriated for title III thereof available for 2 years. These provisions are included in the conference report.

Change in interest rates

The present law provides that loans for construction of academic facilities shall bear interest at a rate related to the average annual interest rate on all interest-bearing obligations of the United States forming a part of the public debt. The Senate amendment added a provision, which was retained in the conference report, under which the interest rate on such loans would not exceed 3 percent a year.

TITLE VIII—GENERAL PROVISIONS

Definitions

The Senate amendment contained definitions of the terms "local educational agency", "State educational agency", and "elementary school". These terms were used in the provisions added by the Senate amendment which relate to fellowships for teachers and the National Teacher Corps.

The conferees, in adopting the provisions of the Senate amendment relating to teacher fellowships and the Teacher Corps, also adopted these definitions, but in doing so they omitted all reference to post-secondary vocational education in the definition of local educational agency.

Federal administration

The Senate amendment contained a provision permitting the Commissioner to contract out the printing of educational matter. The Senate receded.

Federal control of education prohibited

The House bill provided that nothing contained in this act or any other act shall be construed to authorize any department, agency,

officer, or employee of the United States to exercise any direction, supervision, or control over the membership practices or internal operations of any fraternal organization, fraternity or sorority, any private club or any religious organization of any institution of higher education.

The Senate amendment limited the application of the House provision to fraternal organizations, fraternities or sororities, private clubs or religious organizations at institutions of higher education, whose facilities were not owned by the institution of higher education and whose activities were financed by funds derived from private sources.

The conference committee agreed to a substitute for the House and Senate provisions which provides that nothing contained in this act or any other act shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the membership practices or internal operations of any fraternal organization, fraternity, sorority, private club or religious organization at an institution of higher education (other than a service academy or the Coast Guard Academy) which is financed exclusively by funds derived from private sources and whose facilities are not owned by such institution.

ADAM C. POWELL,
CARL D. PERKINS,
EDITH GREEN,
JOHN BRADEMAS,
HUGH L. CAREY,
JOHN H. DENT,
SAM M. GIBBONS,
CARLTON R. SICKLES,

Managers on the Part of the House.

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COMMITTEE ON EDUCATION AND
LABOR, PERMISSION TO FILE CON-
FERENCE REPORT ON H.R. 9567,
THE HIGHER EDUCATION ACT

Mr. PERKINS. Mr. Speaker, I ask unanimous consent that the House conferees of the Committee on Education and Labor have until midnight tonight to file the conference report on H.R. 9567, the Higher Education Act.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

CONFERENCE REPORT (H. REPT. NO. 1178)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 9567) to strengthen the educational resources of our colleges and universities and to provide financial assistance for students in post-secondary and higher education, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That this Act may be cited as the 'Higher Education Act of 1965'."

"TITLE I—COMMUNITY SERVICE AND CONTINUING EDUCATION PROGRAMS

"Appropriations authorized

"SEC. 101. For the purpose of assisting the people of the United States in the solution of community problems such as housing, poverty, government, recreation, employment, youth opportunities, transportation, health, and land use by enabling the Commissioner to make grants under this title to strengthen community service programs of colleges and universities, there are authorized to be appropriated \$25,000,000 for the fiscal year ending June 30, 1966, and \$50,000,000 for the fiscal year ending June 30, 1967, and for the succeeding fiscal year. For the fiscal year ending June 30, 1969, and the succeeding fiscal year, there may be appropriated, to enable the Commissioner to make such grants, only such sums as the Congress may hereafter authorize by law.

"Definition of community service program

"SEC. 102. For purposes of this title, the term 'community service program' means an educational program, activity, or service, including a research program and a university extension or continuing education offering, which is designed to assist in the solution of community problems in rural, urban, or suburban areas, with particular emphasis on urban and suburban problems, where the institution offering such program, activity, or service determines—

"(1) that the proposed program, activity, or service is not otherwise available, and

"(2) that the conduct of the program or performance of the activity or service is consistent with the institution's over-all educational program and is of such a nature as is appropriate to the effective utilization of the institution's special resources and the competencies of its faculty.

Where course offerings are involved, such courses must be university extension or continuing education courses and must be—

"(A) fully acceptable toward an academic degree, or

"(B) of college level as determined by the institution offering such courses.

"Allotments to States

"SEC. 103. (a) Of the sums appropriated pursuant to section 101 for each fiscal year, the Commissioner shall allot \$25,000 each to Guam, American Samoa, the Common-

wealth of Puerto Rico, and the Virgin Islands and \$100,000 to each of the other States, and he shall allot to each State an amount which bears the same ratio to the remainder of such sums as the population of the State bears to the population of all States.

"(b) The amount of any State's allotment under subsection (a) for any fiscal year which the Commissioner determines will not be required for such fiscal year for carrying out the State plan (if any) approved under this title shall be available for reallocation from time to time, on such dates during such year as the Commissioner may fix, to other States in proportion to the original allotments to such States under such subsection for such year, but with such proportionate amount for any of such States being reduced to the extent it exceeds the sum the Commissioner estimates such State needs and will be able to use for such year for carrying out the State plan; and the total of such reductions shall be similarly reallocated among the States whose proportionate amounts were not so reduced. Any amount reallocated to a State under this subsection during a year from funds appropriated pursuant to section 101 shall be deemed part of its allotment under subsection (a) for such year.

"(c) In accordance with regulations of the Commissioner, any State may file with him a request that a specified portion of its allotment under this title be added to the allotment of another State under this title for the purpose of meeting a portion of the Federal share of the cost of providing community service programs under this title. If it is found by the Commissioner that the programs with respect to which the request is made would meet needs of the State making the request and that use of the specified portion of such State's allotment, as requested by it, would assist in carrying out the purposes of this title, such portion of such State's allotment shall be added to the allotment of the other State under this title to be used for the purpose referred to above.

"(d) The population of a State and of all the States shall be determined by the Commissioner on the basis of the most recent satisfactory data available from the Department of Commerce.

"Uses of allotted funds

"SEC. 104. A State's allotment under section 103 may be used, in accordance with its State plan approved under section 105 (b), to provide new, expanded, or improved community service programs.

"State plans

"SEC. 105. (a) Any State desiring to receive its allotment of Federal funds under this title shall designate or create a State agency or institution which has special qualifications with respect to solving community problems and which is broadly representative of institutions of higher education in the State which are competent to offer community service programs, and shall submit to the Commissioner through the agency or institution so designated a State plan. If a State desires to designate for the purposes of this section an existing State agency or institution which does not meet these requirements, it may do so if the agency or institution takes such action as may be necessary to acquire such qualifications and assure participation of such institutions, or if it designates or creates a State advisory council which meets the requirements not met by the designated agency or institution to consult with the designated agency or institution in the preparation of the State plan. A State plan submitted under this title shall be in such detail as the Commissioner deems necessary and shall—

"(1) provide that the agency or institution so designed or created shall be the sole agency for administration of the plan or for supervision of the administration of the

plan; and provide that such agency or institution shall consult with any State advisory council required to be created by this section with respect to policy matters arising in the administration of such plan;

"(2) set forth a comprehensive, coordinated, and statewide system of community service programs under which funds paid to the State (including funds paid to an institution pursuant to section 106(c)) under its allotments under section 103 will be expended solely for community service programs which have been approved by the agency or institution administering the plan;

"(3) set forth the policies and procedures to be followed in allocating Federal funds to institutions of higher education in the State, which policies and procedures shall insure that due consideration will be given—

"(A) to the relative capacity and willingness of particular institutions of higher education (whether public or private) to provide effective community service programs;

"(B) to the availability of and need for community service programs among the population within the State; and

"(C) to the results of periodic evaluations of the programs carried out under this title in the light of information regarding current and anticipated community problems in the State;

"(4) set forth policies and procedures designed to assure that Federal funds made available under this title will be so used as not to supplant State or local funds, or funds of institutions of higher education, but to supplement and, to the extent practicable, to increase the amounts of such funds that would in the absence of such Federal funds be made available for community service programs;

"(5) set forth such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the State (including such funds paid by the State or by the Commissioner to institutions of higher education) under this title; and

"(6) provide for making such reports in such form and containing such information as the Commissioner may reasonably require to carry out his functions under this title, and for keeping such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports.

"(b) The Commissioner shall approve any State plan and any modification thereof which complies with the provisions of subsection (a).

"Payments

"SEC. 106. (a) Except as provided in subsection (b), payment under this title shall be made to those State agencies and institutions which administer plans approved under section 105(b). Payments under this title from a State's allotment with respect to the cost of developing and carrying out its State plan shall equal 75 per centum of such costs for the fiscal year ending June 30, 1966, 75 per centum of such costs for the fiscal year ending June 30, 1967, and 50 per centum of such costs for each of the three succeeding fiscal years, except that no payments for any fiscal year shall be made to any State with respect to expenditures for developing and administering the State plan which exceed 5 per centum of the costs for that year for which payment under this subsection may be made to that State, or \$25,000, whichever is the greater. In determining the cost of developing and carrying out a State's plan, there shall be excluded any cost with respect to which payments were received under any other Federal program.

"(b) No payments shall be made to any State from its allotments for any fiscal year unless and until the Commissioner finds that the institutions of higher education which

will participate in carrying out the State plan for that year will together have available during that year for expenditure from non-Federal sources for college and university extension and continuing education programs not less than the total amount actually expended by those institutions for college and university extension and continuing education programs from such sources during the fiscal year ending June 30, 1965, plus an amount equal to not less than the non-Federal share of the costs with respect to which payment pursuant to subsection (a) is sought.

"(c) Payments to a State under this title may be made in installments and in advance or by way of reimbursement with necessary adjustments on account of overpayments or underpayments, and they may be paid directly to the State or to one or more participating institutions of higher education designated for this purpose by the State, or to both.

"Administration of State plans"

"SEC. 107. (a) The Commissioner shall not finally disapprove any State plan submitted under this title, or any modification thereof, without first affording the State agency or institution submitting the plan reasonable notice and opportunity for a hearing.

"(b) Whenever the Commissioner, after reasonable notice and opportunity for hearing to the State agency or institution administering a State plan approved under section 105(b), finds that—

"(1) the State plan has been so changed that it no longer complies with the provisions of section 105(a), or

"(2) in the administration of the plan there is a failure to comply substantially with any such provision,

the Commissioner shall notify the State agency or institution that the State will not be regarded as eligible to participate in the program under this title until he is satisfied that there is no longer any such failure to comply.

"Judicial review"

"SEC. 108. (a) If any State is dissatisfied with the Commissioner's final action with respect to the approval of its State plan submitted under section 105(a) or with his final action under section 107(b), such State may, within sixty days after notice of such action, file with the United States court of appeals for the circuit in which the State is located a petition for review of that action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Commissioner. The Commissioner thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code.

"(b) The findings of fact by the Commissioner, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Commissioner to take further evidence, and the Commissioner may thereupon make new or modified findings of fact and may modify his previous action, and shall certify to the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

"(c) The court shall have jurisdiction to affirm the action of the Commissioner or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

"National Advisory Council on Extension and Continuing Education"

"SEC. 109. (a) The President shall, within ninety days of enactment of this title, appoint a National Advisory Council on Ex-

tension and Continuing Education (hereafter referred to as the "Advisory Council"), consisting of the Commissioner, who shall be Chairman, one representative each of the Departments of Agriculture, Commerce, Defense, Labor, Interior, State, and Housing and Urban Development, and the Office of Economic Opportunity, and of such other Federal agencies having extension education responsibilities as the President may designate, and twelve members appointed, for staggered terms and without regard to the civil service laws, by the President. Such twelve members shall, to the extent possible, include persons knowledgeable in the fields of extension and continuing education, State and local officials, and other persons having special knowledge, experience, or qualification with respect to community problems, and persons representative of the general public. The Advisory Council shall meet at the call of the Chairman but not less often than twice a year.

"(b) The Advisory Council shall advise the Commissioner in the preparation of general regulations and with respect to policy matters arising in the administration of this title, including policies and procedures governing the approval of State plans under section 105(b), and policies to eliminate duplication and to effectuate the coordination of programs under this title and other programs offering extension or continuing education activities and services.

"(c) The Advisory Council shall review the administration and effectiveness of all federally supported extension and continuing education programs, including community service programs, make recommendations with respect thereto, and make annual reports commencing on March 31, 1967, of its findings and recommendations (including recommendations for changes in the provisions of this title and other Federal laws relating to extension and continuing education activities) to the Secretary and to the President. The President shall transmit each such report to the Congress together with his comments and recommendations.

"(d) Members of the Advisory Council who are not regular full-time employees of the United States shall, while serving on the business of the Council, be entitled to receive compensation at rates fixed by the Secretary, but not exceeding \$100 per day, including travel time; and, while so serving away from their homes or regular places of business, members may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b-2) for persons in the Government service employed intermittently.

"(e) The Secretary shall engage such technical assistance as may be required to carry out the functions of the Advisory Council, and the Secretary shall, in addition, make available to the Advisory Council such secretarial, clerical, and other assistance and such pertinent data prepared by the Department of Health, Education, and Welfare as it may require to carry out its functions.

"(f) In carrying out its functions pursuant to this section, the Advisory Council may utilize the services and facilities of any agency of the Federal Government, in accordance with agreements between the Secretary and the head of such agency.

"Relationship to other programs"

"SEC. 110. Nothing in this title shall modify authorities under the Act of February 23, 1917 (Smith-Hughes Vocational Education Act), as amended (20 U.S.C. 11-15, 16-28); the Vocational Education Act of 1946, as amended (20 U.S.C. 15i-15m, 15o-15q, 15aa-15jj, and 15aaa-15ggg); the Vocational Education Act of 1963 (20 U.S.C. 35-35n); title VIII of the Housing Act of 1964 (Public Law 88-560); or the Act of May 8, 1914 (Smith-Lever Act), as amended (7 U.S.C. 341-348).

"Limitation"

"SEC. 111. No grant may be made under this title for any educational program, activity, or service related to sectarian instruction or religious worship, or provided by a school or department of divinity. For purposes of this section, the term 'school or department of divinity' means an institution or a department or branch of an institution whose program is specifically for the education of students to prepare them to become ministers of religion or to enter upon some other religious vocation, or to prepare them to teach theological subjects.

"TITLE II—COLLEGE LIBRARY ASSISTANCE AND LIBRARY TRAINING AND RESEARCH"

"Part A—College library resources"

"Appropriations Authorized"

"SEC. 201. There are authorized to be appropriated \$50,000,000 for the fiscal year ending June 30, 1966, and for each of the two succeeding fiscal years, to enable the Commissioner to make grants under this part to institutions of higher education to assist and encourage such institutions in the acquisition for library purposes of books, periodicals, documents, magnetic tapes, phonograph records, audiovisual materials, and other related library materials (including necessary binding). For the fiscal year ending June 30, 1969, and the succeeding fiscal year, there may be appropriated, to enable the Commissioner to make such grants, only such sums as the Congress may hereafter authorize by law.

"Basic Grants"

"SEC. 202. From 75 per centum of the sums appropriated pursuant to section 201 for any fiscal year, the Commissioner is authorized to make basic grants for the purposes set forth in that section to institutions of higher education and combinations of such institutions. The amount of a basic grant shall not exceed \$5,000 for each such institution of higher education and each branch of such institution which is located in a community different from that in which its parent institution is located, as determined in accordance with regulations of the Commissioner, and a basic grant under this subsection may be made only if the application therefor is approved by the Commissioner upon his determination that the application (whether by an individual institution or a combination of institutions)—

"(a) provides satisfactory assurance that the applicant will expend during the fiscal year for which the grant is requested (from funds other than funds received under this part) for all library purposes (exclusive of construction) (1) an amount not less than the average annual amount it expended for such purposes during the two-year period ending June 30, 1965, and (2) an amount (from such other sources) equal to not less than the amount of such grant;

"(b) provides satisfactory assurance that the applicant will expend during the fiscal year for which the grant is requested (from funds other than funds received under this part) for books, periodicals, documents, magnetic tapes, phonograph records, audiovisual materials, and other related materials (including necessary binding) for library purposes an amount not less than the average annual amount if expended for such materials during the two-year period ending June 30, 1965;

"(c) provides for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the applicant under this section; and

"(d) provides for making such reports, in such form and containing such information, as the Commissioner may require to carry out his functions under this section, and for keeping such records and for affording such access thereto as the Commissioner may find

necessary to assure the correctness and verification of such reports.

"Supplemental Grants

"SEC. 203. (a) From the remainder of such 75 per centum of the sums appropriated pursuant to section 201 for any fiscal year, plus any part of such sums as the Commissioner determines will not be used for making grants under section 204, the Commissioner is authorized to make supplemental grants for the purposes set forth in section 201 to institutions of higher education and combinations of such institutions. The amount of a supplemental grant shall not exceed \$10 for each full-time student (including the full-time equivalent of the number of part-time students) enrolled in each such institution, as determined pursuant to regulations of the Commissioner. A supplemental grant may be made only upon application therefor, in such form and containing such information as the Commissioner may require, which application shall—

"(1) meet the application requirements set forth in section 202 except for the matching requirement set forth in paragraph (a) (2) of that section;

"(2) describe the size and quality of the library resources of the applicant in relation to its present enrollment and any expected increase in its enrollment;

"(3) set forth any special circumstances which are impeding or will impede the proper development of its library resources; and

"(4) provide a general description of how a supplemental grant would be used to improve the size or quality of its library resources.

"(b) The Commissioner shall approve applications for supplemental grants on the basis of basic criteria prescribed in regulations and developed after consultation with the Council created under section 205. Such basic criteria shall be such as will best tend to achieve the objectives of this part and they (1) may take into consideration factors such as the size and age of the library collection and student enrollment, and (2) shall give priority to institutions in need of financial assistance for library purposes.

"Special Purpose Grants

"SEC. 204. (a) (1) Twenty-five per centum of the sums appropriated pursuant to section 201 for each fiscal year shall be used by the Commissioner in accordance with this subsection.

"(2) Of the sums available for use under paragraph (1) sixty per centum may be used to make special grants (A) to institutions of higher education which demonstrate a special need for additional library resources and which demonstrate that such additional library resources will make a substantial contribution to the quality of their educational resources, (B) to institutions of higher education to meet special national or regional needs in the library and information sciences, and (C) to combinations of institutions of higher education which need special assistance in establishing and strengthening joint-use facilities. Grants under this section may be used only for books, periodicals, documents, magnetic tapes, phonograph records, audiovisual materials, and other related library materials (including necessary binding).

"(3) Any sums available for use under paragraph (1) which are not used for the purposes of paragraph (2) shall be used in the manner prescribed by the first sentence of section 203(a).

"(b) Grants pursuant to paragraph (2) shall be made upon application providing satisfactory assurance that (1) the applicant (or applicants jointly in the case of a combination of institutions) will expend during the fiscal year for which the grant is requested (from funds other than funds received under this part) for the same purpose

as such grant an amount from such other sources equal to not less than 33⅓ per centum of such grant, and (2) in addition each such applicant will expend during such fiscal year (from such other sources) for all library purposes (exclusive of construction) an amount not less than the average annual amount it expended for such purposes during the two-year period ending June 30, 1965.

"Advisory Council on College Library Resources

"SEC. 205. (a) The Commissioner shall establish in the Office of Education an Advisory Council on College Library Resources consisting of the Commissioner, who shall be Chairman, and eight members appointed, without regard to the civil service laws, by the Commissioner with the approval of the Secretary.

"(b) The Advisory Council shall advise the Commissioner with respect to establishing criteria for the making of supplemental grants under section 203 and the making of special purpose grants under section 204. The Commissioner may appoint such special advisory and technical experts and consultants as may be useful in carrying out the functions of the Advisory Council.

"(c) Members of the Advisory Council, while serving on business of the Advisory Council, shall receive compensation at a rate to be fixed by the Secretary, but not exceeding \$100 per day, including travel time; and, while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b-2) for persons in the Government service employed intermittently.

"Accreditation Requirement for Purposes of This Part

"SEC. 206. For the purposes of this part, an educational institution shall be deemed to have been accredited by a nationally recognized accrediting agency or association if the Commissioner determines that there is satisfactory assurance that upon acquisition of the library resources with respect to which assistance under this part is sought, or upon acquisition of those resources and other library resources planned to be acquired within a reasonable time, the institution will meet the accreditation standards of such agency or association.

"Limitation

"SEC. 207. No grant may be made under this part for books, periodicals, documents, or other related materials to be used for sectarian instruction or religious worship, or primarily in connection with any part of the program of a school or department of divinity. For purposes of this section, the term 'school or department of divinity' means an institution or a department or branch of an institution whose program is specifically for the education of students to prepare them to become ministers of religion or to enter upon some other religious vocation, or to prepare them to teach theological subjects.

"Consultation With State Agency

"SEC. 208. Each institution of higher education which receives a grant under this part shall periodically inform the State agency (if any) concerned with the educational activities of all institutions of higher education in the State in which such institution is located, of its activities under this part.

"Part B—Library training and research

"Appropriations Authorized

"SEC. 221. There are authorized to be appropriated \$15,000,000 for the fiscal year ending June 30, 1966, and for each of the two succeeding fiscal years, for the purpose of carrying out this part. For the fiscal year ending June 30, 1969, and the succeeding fiscal year, there may be appropriated for

such purpose only such sums as the Congress may hereafter authorize by law.

"Definition of 'Librarianship'

"SEC. 222. For the purposes of this part the term 'librarianship' means the principles and practices of the library and information sciences, including the acquisition, organization, storage, retrieval, and dissemination of information, and reference and research use of library and other information resources.

"Grants for Training in Librarianship

"SEC. 223. (a) The Commissioner is authorized to make grants to institutions of higher education to assist them in training persons in librarianship. Such grants may be used by such institutions to assist in covering the cost of courses of training or study for such persons, and for establishing and maintaining fellowships or traineeships with stipends (including allowances for traveling, subsistence, and other expenses) for fellows and others undergoing training and their dependents not in excess of such maximum amounts as may be prescribed by the Commissioner.

"(b) The Commissioner may make a grant to an institution of higher education only upon application by the institution and only upon his finding that such program will substantially further the objective of increasing the opportunities throughout the Nation for training in librarianship.

"Research and Demonstrations Relating to Libraries and the Training of Library Personnel

"SEC. 224. (a) The Commissioner is authorized to make grants to institutions of higher education and other public or private agencies, institutions, and organizations, for research and demonstration projects relating to the improvement of libraries or the improvement of training in librarianship, including the development of new techniques, systems, and equipment for processing, storing, and distributing information, and for the dissemination of information derived from such research and demonstrations, and, without regard to section 3709 of the Revised Statutes (41 U.S.C. 5), to provide by contracts with them for the conduct of such activities; except that no such grant may be made to a private agency, organization, or institution other than a nonprofit one.

"(b) The Commissioner is authorized to appoint a special advisory committee of not more than nine members to advise him on matters of general policy concerning research and demonstration projects relating to the improvement of libraries and the improvement of training in librarianship, or concerning special services necessary thereto or special problems involved therein.

"(c) Members of the committee appointed under this section who are not regular full-time employees of the United States shall, while serving on the business of the committee, be entitled to receive compensation at rates fixed by the Commissioner, but not in excess of \$100 per diem, including travel time; and they may, while so serving away from their homes or regular places of business, be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b-2) for persons in the Government service employed intermittently.

"Repealer

"SEC. 225. Effective July 1, 1967, section 1101 of the National Defense Education Act of 1958 is amended by adding the word 'or' at the end of clause (2), by striking out clause (3), and by renumbering clause (4) as clause (3).

"Part C—Strengthening college and research library resources

"Appropriations Authorized

"SEC. 231. There are hereby authorized to be appropriated \$5,000,000 for the fiscal year

ending June 30, 1966, \$6,315,000 for the fiscal year ending June 30, 1967, and \$7,770,000 for the fiscal year ending June 30, 1968, to enable the Commissioner to transfer funds to the Librarian of Congress for the purpose of—

"(1) acquiring, so far as possible, all library materials currently published throughout the world which are of value to scholarship; and

"(2) providing catalog information for these materials promptly after receipt, and distributing bibliographic information by printing catalog cards and by other means, and enabling the Library of Congress to use for exchange and other purposes such of these materials as are not needed for its own collections.

"For the fiscal year ending June 30, 1969, and the succeeding fiscal year, there may be appropriated, to enable the Commissioner to transfer funds to the Librarian of Congress for such purpose, only such sums as the Congress may hereafter authorize by law.

"TITLE III—STRENGTHENING DEVELOPING INSTITUTIONS

"Statement of purpose and appropriations authorized

"SEC. 301. (a) The purpose of this title is to assist in raising the academic quality of colleges which have the desire and potential to make a substantial contribution to the higher education resources of our Nation but which for financial and other reasons are struggling for survival and are isolated from the main currents of academic life, and to do so by enabling the Commissioner to establish a national teaching fellow program and to encourage and assist in the establishment of cooperative arrangements under which these colleges may draw on the talent and experience of our finest colleges and universities, and on the educational resources of business and industry, in their effort to improve their academic quality.

"(b) (1) There is authorized to be appropriated the sum of \$55,000,000 for the fiscal year ending June 30, 1966, to carry out the provisions of this title.

"(2) Of the sums appropriated pursuant to this section for any fiscal year, 78 per centum shall be available only for carrying out the provisions of this title with respect to developing institutions which plan to award one or more bachelor's degrees during such year.

"(3) The remainder of the sums so appropriated shall be available only for carrying out the provisions of this title with respect to developing institutions which do not plan to award such a degree during such year.

"Definition of 'developing institution'

"SEC. 302. As used in this title the term 'developing institution' means a public or nonprofit educational institution in any State which—

"(a) admits as regular students only persons having a certificate of graduation from a secondary school, or the recognized equivalent of such certificate;

"(b) is legally authorized to provide, and provides within the State an educational program for which it awards a bachelor's degree, or provides not less than a two-year program which is acceptable for full credit toward such a degree, or offers a two-year program in engineering, mathematics, or the physical or biological sciences which is designed to prepare the student to work as a technician and at a semiprofessional level in engineering, scientific, or other technological fields which require the understanding and application of basic engineering, scientific, or mathematical principles of knowledge;

"(c) is accredited by a nationally recognized accrediting agency or association determined by the Commissioner to be reliable authority as to the quality of training of-

fered or is, according to such an agency or association, making reasonable progress toward accreditation;

"(d) has met the requirements of clauses (a) and (b) during the five academic years preceding the academic year for which it seeks assistance under this title;

"(e) is making a reasonable effort to improve the quality of its teaching and administrative staffs and of its student services;

"(f) is, for financial or other reasons, struggling for survival and is isolated from the main currents of academic life;

"(g) meets such other requirements as the Commissioner may prescribe by regulation; and

"(h) is not an institution, or department or branch of an institution, whose program is specifically for the education of students to prepare them to become ministers of religion or to enter upon some other religious vocation or to prepare them to teach theological subjects.

"Advisory Council on Developing Institutions

"SEC. 303. (a) The Commissioner shall establish in the Office of Education an Advisory Council on Developing Institutions (hereinafter in this title referred to as the 'Council'), consisting of the Commissioner who shall be Chairman, one representative each of such Federal agencies having responsibilities with respect to developing institutions as the Commissioner may designate, and eight members appointed, without regard to the civil service laws, by the Commissioner with the approval of the Secretary.

"(b) The Council shall advise the Commissioner with respect to policy matters arising in the administration of this title and in particular shall assist the Commissioner in identifying those developing institutions through which the purposes of this title can best be achieved and in establishing priorities for use in approving applications under this title. The Commissioner may appoint such special advisory and technical experts and consultants as may be useful in carrying out the functions of the Council.

"(c) Members of the Council who are not otherwise full-time employees of the United States shall, while serving on business of the Council, receive compensation at a rate to be fixed by the Secretary, but not exceeding \$100 per day, including travel time; and, while so serving away from their homes or regular places of business, members may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b-2) for persons in the Government service employed intermittently.

"Grants for cooperative agreements to strengthen developing institutions

"SEC. 304. (a) The Commissioner is authorized to make grants to developing institutions and other colleges and universities to pay part of the cost of planning, developing, and carrying out cooperative arrangements which show promise as effective measures for strengthening the academic programs and the administration of developing institutions. Such cooperative arrangements may be between developing institutions, between developing institutions and other colleges and universities, and between developing institutions and organizations, agencies, and business entities. Grants under this section may be used for projects and activities such as—

"(1) exchange of faculty or students, including arrangements for bringing visiting scholars to developing institutions;

"(2) faculty and administration improvement programs utilizing training, education (including fellowships leading to advanced degrees), internships, research participation, and other means;

"(3) introduction of new curriculums and curricular materials;

"(4) development and operation of cooperative education programs involving alternate periods of academic study and business or public employment;

"(5) joint use of facilities such as libraries or laboratories, including necessary books, materials, and equipment; and

"(6) other arrangements which offer promise of strengthening the academic programs and the administration of developing institutions.

"(b) A grant may be made under this section only upon application to the Commissioner at such time or times and containing such information as he deems necessary. The Commissioner shall not approve an application unless it—

"(1) sets forth a program for carrying out one or more projects or activities which meet the requirements of subsection (a) and provides for such methods of administration as are necessary for the proper and efficient operation of the program;

"(2) sets forth policies and procedures which assure that Federal funds made available under this section for any fiscal year will be so used as to supplement and, to the extent practical, increase the level of funds that would, in the absence of such Federal funds, be made available for purposes which meet the requirements of subsection (a), and in no case supplant such funds;

"(3) provides for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the applicant under this section; and

"(4) provides for making such reports, in such form and containing such information, as the Commissioner may require to carry out his functions under this title, and for keeping such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports.

"(c) The Commissioner shall, after consultation with the Council, establish criteria as to eligible expenditures for which grants made under this section may be used, which criteria shall be so designed as to prevent the use of such grants for expenditures not necessary to the achievement of the purposes of this title.

"National teaching fellowships

"SEC. 305. (a) The Commissioner is authorized to award fellowships under this section to highly qualified graduate students and junior members of the faculty of colleges and universities, to encourage such individuals to teach at developing institutions. The Commissioner shall award fellowships to individuals for teaching at developing institutions only upon application by an institution approved for this purpose by the Commissioner and only upon a finding by the Commissioner that the program of teaching set forth in the application is reasonable in the light of the qualifications of the teaching fellow and of the educational needs of the applicant.

"(b) Fellowships may be awarded under this section for such period of teaching as the Commissioner may determine, but such period shall not exceed two academic years. Each person awarded a fellowship under the provisions of this section shall receive a stipend for each academic year of teaching of not more than \$6,500 as determined by the Commissioner upon the advice of the Council, plus an additional amount of \$400 for each such year on account of each of his dependents.

"TITLE IV—STUDENT ASSISTANCE

"Part A—Educational opportunity grants

"Statement of Purpose and Appropriations Authorized

"SEC. 401. (a) It is the purpose of this part to provide, through institutions of higher education, educational opportunity

grants to assist in making available the benefits of higher education to qualified high school graduates of exceptional financial need, who for lack of financial means of their own or of their families would be unable to obtain such benefits without such aid.

"(b) There are hereby authorized to be appropriated \$70,000,000 for the fiscal year ending June 30, 1966, and for each of the two succeeding fiscal years, to enable the Commissioner to make payments to institutions of higher education that have agreements with him entered into under section 407, for use by such institutions for payments to undergraduate students for the initial academic year of educational opportunity grants awarded to them under this part. For the fiscal year ending June 30, 1969 and for the succeeding fiscal year, there may be appropriated, to carry out the first sentence of this subsection, only such sums as the Congress may hereafter authorize by law. There are further authorized to be appropriated such sums as may be necessary for payment to such institutions for use by them for making educational opportunity grants under this part to undergraduate students for academic years other than the initial year of their educational opportunity grants; but no appropriation may be made pursuant to this sentence for any fiscal year beginning more than three years after the last fiscal year for which an appropriation is authorized under the first sentence. Sums appropriated pursuant to this subsection for any fiscal year shall be available for payment to institutions until the close of the fiscal year succeeding the fiscal year for which they were appropriated. For the purposes of this subsection, payment for the first year of an educational opportunity grant shall not be considered as an initial-year payment if the educational opportunity grant was awarded for the continuing education of a student who had been previously awarded an educational opportunity grant under this part (whether by another institution or otherwise) and had received payment for any year of that educational opportunity grant.

"Amount of Educational Opportunity Grant—Annual Determination

"SEC. 402. From the funds received by it for such purpose under this part, an institution of higher education which awards an educational opportunity grant to a student under this part shall, for the duration of the grant, pay to that student for each academic year during which he is in need of grant aid to pursue a course of study at the institution, an amount determined by the institution for such student with respect to that year, which amount shall not exceed—

"(1) the lesser of \$800 or one-half of the sum of the amount of student financial aid (including assistance under this title, but excluding assistance from work-study programs) provided such student by such institution and any assistance provided such student under any scholarship program established by a State or a private institution or organization, as determined in accordance with regulation of the Commissioner, or

"(2) in the case of a student who during the preceding academic year at an institution of higher education received grades placing him in the upper half of his class, the amount determined under paragraph (1), plus \$200.

If the amount of the payment determined under the preceding sentence for an academic year is less than \$200 for a student, no payment shall be made under this title to that student for that year. The Commissioner shall, subject to the foregoing limitations, prescribe for the guidance of participating institutions basic criteria or schedules (or both) for the determination of the amount of any such educational opportunity grant, taking into account the objective of

limiting grant aid under this part to students of exceptional financial need and such other factors, including the number of dependents in the family, as the Commissioner may deem relevant.

"Duration of Educational Opportunity Grant

"SEC. 403. The duration of an educational opportunity grant awarded under this part shall be the period required for completion by the recipient of his undergraduate course of study at the institution of higher education from which he received the educational opportunity grant, except that such period shall not exceed four academic years less any such period with respect to which the recipient has previously received payments under this part pursuant to a prior educational opportunity grant (whether made by the same or another institution). An educational opportunity grant awarded under this part shall entitle the recipient to payments only if he (1) is maintaining satisfactory progress in the course of study which he is pursuing, according to the regularly prescribed standards and practices of the institution from which he received the grant, and (2) is devoting essentially full time to that course of study, during the academic year, in attendance at that institution. Failure to be in attendance at the institution during vacation periods or periods of military service, or during other periods during which the Commissioner determines in accordance with regulations that there is good cause for his nonattendance (during which periods he shall receive no payments) shall not be deemed contrary to clause (2).

"Selection of Recipients of Educational Opportunity Grants

"SEC. 404. (a) An individual shall be eligible for the award of an educational opportunity grant under this part at any institution of higher education which has made an agreement with the Commissioner pursuant to section 407 (which institution is hereinafter in this part referred to as an 'eligible institution'), if the individual makes application at the time and in the manner prescribed by that institution.

"(b) From among those eligible for educational opportunity grants from an institution of higher education for each fiscal year, the institution shall, in accordance with the provisions of its agreement with the Commissioner under section 407 and within the amount allocated to the institution for that purpose for that year under section 406, select individuals who are to be awarded such grants and determine, pursuant to section 402, the amounts to be paid to them. An institution shall not award an educational opportunity grant to an individual unless it determines that—

"(1) he has been accepted for enrollment as a full-time student at such institution or, in the case of a student already attending such institution, is in good standing and in full-time attendance there as an undergraduate student;

"(2) he shows evidence of academic or creative promise and capability of maintaining good standing in his course of study;

"(3) he is of exceptional financial need; and

"(4) he would not, but for an educational opportunity grant, be financially able to pursue a course of study at such institution of higher education.

"Allotment of Educational Opportunity Grant Funds Among States

"SEC. 405. (a) (1) From the sums appropriated pursuant to the first sentence of section 401(b) for any fiscal year, the Commissioner shall allot to each State an amount which bears the same ratio to the amount so appropriated as the number of persons enrolled on a full-time basis in institutions

of higher education in such State bears to the total number of persons enrolled on a full-time basis in institutions of higher education in all the States. The number of persons enrolled on a full-time basis in institutions of higher education for purposes of this section shall be determined by the Commissioner for the most recent year for which satisfactory data are available to him.

"(2) If the total of the sums determined by the Commissioner to be required under section 406 for any fiscal year for eligible institutions in a State is less than the amount of the allotment to that State under paragraph (1) for that year, the Commissioner may reallocate the remaining amount from time to time, on such date or dates as he may fix, to other States in such manner as he determines will best assist in achieving the purposes of this part.

"(b) Sums appropriated pursuant to the third sentence of section 401(b) for any fiscal year shall be allotted or reallocated among the States in such manner as the Commissioner determines to be necessary to carry out the purposes for which such sums are appropriated.

"Allocation of Allotted Funds to Institutions

"SEC. 406. (a) The Commissioner shall from time to time set dates by which eligible institutions in any State must file applications for allocation, to such institutions, of educational opportunity grant funds from the allotment to that State (including any reallocation thereto) for any fiscal year pursuant to section 405(a), to be used for the purposes specified in the first sentence of section 401(b). Such allocations shall be made in accordance with equitable criteria which the Commissioner shall establish and which shall be designed to achieve such distribution of such funds among eligible institutions within a State as will most effectively carry out the purposes of this part.

"(b) The Commissioner shall further, in accordance with regulations, allocate to eligible institutions, in any State, from funds apportioned or reapportioned pursuant to section 405(b), funds to be used for the educational opportunity grants specified in the third sentence of section 401(b).

"(c) Payment shall be made from allocations under this section to institutions as needed.

"Agreements With Institutions—Conditions

"SEC. 407. (a) An institution of higher education which desires to obtain funds for educational opportunity grants under this part, shall enter into an agreement with the Commissioner. Such agreement shall—

"(1) provide that funds received by the institution under this part will be used by it only for the purposes specified in, and in accordance with, the provisions of this part;

"(2) provide that in determining whether an individual meets the requirements of section 404(b) (3) the institution will (A) consider the source of such individual's income and that of any individual or individuals upon whom the student relies primarily for support, and (B) make an appropriate review of the assets of the student and of such individuals;

"(3) provide that the institution, in cooperation with other institutions of higher education where appropriate, will make vigorous efforts to identify qualified youths of exceptional financial need and to encourage them to continue their education beyond secondary school through programs and activities such as—

"(A) establishing or strengthening close working relationships with secondary-school principals and guidance and counseling personnel with a view toward motivating students to complete secondary school and pursue post-secondary-school educational opportunities, and

"(B) making, to the extent feasible, conditional commitments for educational opportunity grants to qualified secondary school students with special emphasis on students enrolled in grade 11 or lower grades who show evidences of academic or creative promise;

"(4) provide assurance that the institution will continue to spend in its own scholarship and student-aid program, from sources other than funds received under this part, not less than the average expenditure per year made for that purpose during the most recent period of three fiscal years preceding the effective date of the agreement;

"(5) include provisions designed to make educational opportunity grants under this part reasonably available (to the extent of available funds) to all eligible students in the institution in need thereof; and

"(6) include such other provisions as may be necessary to protect the financial interest of the United States and promote the purposes of this part.

"(b) (1) An institution, which has in effect an agreement for Federal capital contributions for a student loan fund pursuant to title II of the National Defense Education Act of 1958, may use, as an additional Federal capital contribution for the purposes of such loan fund, not to exceed 25 per centum of the funds paid to it for any fiscal year ending prior to July 1, 1970, for the purpose set forth in section 401(b). The requirement in section 204(2)(B) of such Act shall not apply to such a Federal capital contribution.

"(2) For the purpose of making payments from amounts appropriated pursuant to the third sentence of section 401(b), any institution electing for any fiscal year to use an amount of its payment as a Federal capital contribution pursuant to paragraph (1) shall be paid an equal amount for each of the succeeding three fiscal years from such amounts appropriated pursuant to such third sentence, if the amount so paid to the institution for each such year is used by such institution as such a Federal capital contribution.

"Contracts to Encourage Full Utilization of Educational Talent

"SEC. 408. (a) To assist in achieving the purposes of this part the Commissioner is authorized (without regard to section 3709 of the Revised Statutes (41 U.S.C. 5)), to enter into contracts, not to exceed \$100,000 per year, with State and local educational agencies and other public or nonprofit organizations and institutions for the purpose of—

"(1) identifying qualified youths of exceptional financial need and encouraging them to complete secondary school and undertake postsecondary educational training,

"(2) publicizing existing forms of student financial aid, including aid furnished under this part, or

"(3) encouraging secondary-school or college dropouts of demonstrated aptitude to re-enter educational programs, including postsecondary-school programs.

"(b) There are hereby authorized to be appropriated such sums as may be necessary to carry out this section.

"Definition of 'Academic Year'

"Sec. 409. As used in this part, the term 'academic year' means an academic year or its equivalent as defined in regulations of the Commissioner.

"Part B—Federal, State, and private programs of low-interest insured loans to students in institutions of higher education

"Statement of Purpose and Appropriations Authorized

"Sec. 421. (a) The purpose of this part is to enable the Commissioner (1) to encourage States and nonprofit private institutions and

organizations to establish adequate loan insurance programs for students in eligible institutions (as defined in section 435), (2) to provide a Federal program of student loan insurance for students who do not have reasonable access to a State or private nonprofit program of student loan insurance covered by an agreement under section 428(b), and (3) to pay a portion of the interest on loans to qualified students which are made by a State under a direct loan program meeting the requirements of section 428(a)(1)(B), or which are insured under this part or under a program of a State or of a nonprofit private institution or organization which meets the requirements of section 428(a)(1)(C).

"(b) For the purpose of carrying out this part—

"(1) there are authorized to be appropriated to the student loan insurance fund (established by section 431) (A) the sum of \$1,000,000, and (B) such further sums, if any, as may become necessary for the adequacy of the student loan insurance fund,

"(2) there are authorized to be appropriated, for payments under section 428 with respect to interest on student loans, such sums for the fiscal year ending June 30, 1966, and succeeding fiscal years, as may be required therefor, and

"(3) there is authorized to be appropriated the sum of \$17,500,000 for making advances pursuant to section 422 for the reserve funds of State and nonprofit private student loan insurance programs.

Sums appropriated under clauses (1) and (2) of this subsection shall remain available until expended, and sums appropriated under clause (3) of this subsection shall remain available for advances under section 422 until the close of the fiscal year ending June 30, 1968.

"Advances for Reserve Funds of State and Nonprofit Private Loan Insurance Programs

"SEC. 422. (a) (1) From the sums appropriated pursuant to clause (3) of section 421(b), the Commissioner is authorized to make advances to any State with which he has made an agreement pursuant to section 428(b) for the purpose of helping to establish or strengthen the reserve fund of the student loan insurance program covered by that agreement. If for any of the fiscal years ending June 30, 1966, June 30, 1967, or June 30, 1968, a State does not have a student loan insurance program covered by an agreement made pursuant to section 428(b), and the Commissioner determines after consultation with the chief executive officer of that State that there is no reasonable likelihood that the State will have such a student loan insurance program for such year, the Commissioner may make advances for such year for the same purpose to one or more nonprofit private institutions or organizations with which he has made an agreement pursuant to section 428(b) in order to enable students in that State to participate in a program of student loan insurance covered by such an agreement. The Commissioner may make advances under this subsection both to a State program (with which he has such an agreement) and to one or more nonprofit private institutions or organizations (with which he has such an agreement) in that State if he determines that such advances are necessary in order that students in each eligible institution have access through such institution to a student loan insurance program which meets the requirements of section 428(b)(1).

"(2) Advances pursuant to this subsection shall be upon such terms and conditions (including conditions relating to the time or times of payment) consistent with the requirements of section 428(b) as the Commissioner determines will best carry out the purposes of this section. Advances made by

the Commissioner under this subsection shall be repaid within such period as the Commissioner may deem to be appropriate in each case in the light of the maturity and solvency of the reserve fund for which the advance was made.

"(b) The total of the advances to any State pursuant to subsection (a) may not exceed an amount which bears the same ratio to 2½ per centum of \$700,000,000 as the population of that State aged eighteen to twenty-two inclusive, bears to the total population of all the States aged eighteen to twenty-two, inclusive. If the amount so determined for any State, however, is less than \$25,000, it shall be increased to \$25,000 and the total of the increases thereby required shall be derived by proportionately reducing (but not below \$25,000) the amount so determined for each of the remaining States. Advances to nonprofit private institutions and organizations pursuant to subsection (a) may be in such amounts as the Commissioner determines will best achieve the purposes for which they are made, except that the sum of (1) advances to such institutions and organizations for the benefit of students in any State plus (2) the amounts advanced to such State, may not exceed the maximum amount which may be advanced to that State pursuant to the first two sentences of this subsection. For the purposes of this subsection, the population aged eighteen to twenty-two, inclusive, of each State and of all the States shall be determined by the Commissioner on the basis of the most recent satisfactory data available to him.

"Effect of Adequate Non-Federal Programs

"SEC. 423. The Commissioner shall not issue certificates of insurance under section 429 to lenders in a State if he determines that every eligible institution has reasonable access in that State to a State or private nonprofit student loan insurance program which is covered by an agreement under section 428(b).

"Scope and Duration of Federal Loan Insurance Program

"SEC. 424. (a) The total principal amount of new loans made and installments paid pursuant to lines of credit (as defined in section 435) to students covered by Federal loan insurance under this part shall not exceed \$700,000,000 in the fiscal year ending June 30, 1966, \$1,000,000,000 in the fiscal year ending June 30, 1967, and \$1,400,000,000 in the fiscal year ending June 30, 1968. Thereafter, Federal loan insurance pursuant to this part may be granted only for loans made (or for loan installments paid pursuant to lines of credit) to enable students, who have obtained prior loans insured under this part, to continue or complete their educational program; but no insurance may be granted for any loan made or installment paid after June 30, 1972.

"(b) The Commissioner may, if he finds it necessary to do so in order to assure an equitable distribution of the benefits of this part, assign, within the maximum amounts specified in subsection (a), Federal loan insurance quotas applicable to eligible lenders, or to States or areas, and may from time to time reassign unused portions of these quotas.

"Limitations on Individual Federally Insured Loans and on Federal Loan Insurance

"Sec. 425. (a) (1) The total of the loans made to a student in any academic year or its equivalent (as determined under regulations of the Commissioner) which may be covered by Federal loan insurance under this part may not exceed \$1,500 in the case of a graduate or professional student (as defined in regulations of the Commissioner), or \$1,000 in the case of any other student. The aggregate insured unpaid principal amount of all such insured loans made to any student shall not at any time exceed \$7,500 in the case of any graduate or professional

student (as defined in regulations of the Commissioner, and including any such insured loans made to such person before he became a graduate or professional student), or \$5,000 in the case of any other student. The annual insurable limit per student shall not be deemed to be exceeded by a line of credit under which actual payments by the lender to the borrower will not be made in any year in excess of the annual limit.

"(2) If in any academic year or its equivalent a student receives a loan which is insured by the Commissioner under this part, no loan to that student in that year may be made or insured by the Commissioner under the National Vocational Student Loan Insurance Act of 1965; and if in any academic year or its equivalent a student receives a loan which is made or insured by the Commissioner under the National Vocational Student Loan Insurance Act of 1965, no loan to that student in that year may be insured by the Commissioner under this part.

"(b) The insurance liability on any loan insured by the Commissioner under this part shall be 100 per centum of the unpaid balance of the principal amount of the loan. Such insurance liability shall not include liability for interest whether or not that interest has been added to the principal amount of the loan.

"Sources of Funds

"Sec. 426. Loans made by eligible lenders in accordance with this part shall be insurable by the Commissioner whether made from funds fully owned by the lender or from funds held by the lender in a trust or similar capacity and available for such loans.

"Eligibility of Student Borrowers and Terms of Student Loans

"Sec. 427. (a) A loan by an eligible lender shall be insurable by the Commissioner under the provisions of this part only if—

"(1) made to a student who (A) has been accepted for enrollment at an eligible institution or, in the case of a student already attending such institution, is in good standing there as determined by the institution, and (B) is carrying at least one-half of the normal full-time workload as determined by the institution, and (C) has provided the lender with a statement of the institution which sets forth a schedule of the tuition and fees applicable to that student and its estimate of the cost of board and room for such a student; and

"(2) evidenced by a note or other written agreement which—

"(A) is made without security and without endorsement, except that if the borrower is a minor and such note or other written agreement executed by him would not, under the applicable law, create a binding obligation, endorsement may be required.

"(B) provides for repayment (except as provided in subsection (c)) of the principal amount of the loan in installments over a period of not less than five years (unless sooner repaid) nor more than ten years beginning not earlier than nine months nor later than one year after the date on which the student ceases to carry at an eligible institution at least one-half the normal full-time academic workload as determined by the institution, except (i) as provided in clause (C) below, (ii) that the period of the loan may not exceed fifteen years from the execution of the note or written agreement evidencing it and (iii) that the note or other written instrument may contain such provisions relating to repayment in the event of default in the payment of interest or in the payment of the cost of insurance premiums, or other default by the borrower, as may be authorized by regulations of the Commissioner in effect at the time the loan is made,

"(C) provides that periodic installments of principal need not be paid, but interest shall accrue and be paid, during any period (i) during which the borrower is pursuing a

full-time course of study at an institution of higher education or at a comparable institution outside the States approved for this purpose by the Commissioner, (ii) not in excess of three years, during which the borrower is a member of the Armed Forces of the United States, or (iii) not in excess of three years during which the borrower is in service as a volunteer under the Peace Corps Act, and any such period shall not be included in determining the ten-year period or the fifteen-year period provided in clause (B) above,

"(D) provides for interest on the unpaid principal balance of the loan at a yearly rate, not exceeding the applicable maximum rate prescribed and defined by the Secretary (within the limits set forth in subsection (b)) on a national, regional, or other appropriate basis, which interest shall be payable in installments over the period of the loan except that, if provided in the note or other written agreement, any interest payable by the student may be deferred until not later than the date upon which repayment of the first installment of principal falls due, in which case interest that has so accrued during that period may be added on that date to the principal (but without thereby increasing the insurance liability under this part),

"(E) provides that the lender will not collect or attempt to collect from the borrower any portion of the interest on the note which is payable by the Commissioner under this part,

"(F) entitles the student borrower to accelerate without penalty repayment of the whole or any part of the loan, and

"(G) contains such other terms and conditions, consistent with the provisions of this part and with the regulations issued by the Commissioner pursuant to this part, as may be agreed upon by the parties to such loan, including, if agreed upon, a provision requiring the borrower to pay to the lender, in addition to principal and interest, amounts equal to the insurance premiums payable by the lender to the Commissioner with respect to such loan.

"(b) No maximum rate of interest prescribed and defined by the Secretary for the purposes of clause (2) (D) of subsection (a) may exceed 6 per centum per annum on the unpaid principal balance of the loan, except that under circumstances which threaten to impede the carrying out of the purposes of this part, one or more of such maximum rates of interest may be as high as 7 per centum per annum on the unpaid principal balance of the loan.

"(c) The total of the payments by a borrower during any year of any repayment period with respect to the aggregate amount of all loans to that borrower which are insured by the Commissioner under this part shall not be less than \$360 or the balance of all of such loans (together with interest thereon), whichever amount is less.

"Federal Payments To Reduce Student Interest Costs

"Sec. 428. (a) (1) Each student who has received a loan for study at an eligible institution—

"(A) which is insured by the Commissioner under this part;

"(B) which was made under a State student loan program (meeting criteria prescribed by the Commissioner), and which was contracted for, and paid to the student, within the period specified by paragraph (4); or

"(C) which is insured under a program of a State or of a nonprofit private institution or organization, which was contracted for, and paid to the student, within the period specified in paragraph (4), and which—

"(i) in the case of a loan insured prior to July 1, 1967, was made by an eligible lender and is insured under a program which meets the requirements of subparagraph (E) of

subsection (b) (1) and provides that repayment of such loan shall be in installments beginning not earlier than sixty days after the student ceases to pursue a course of study (as described in subparagraph (D) of subsection (b) (1)) at an eligible institution, or

"(ii) in the case of a loan insured after June 30, 1967, is insured under a program covered by an agreement made pursuant to subsection (b),

and whose adjusted family income is less than \$15,000 at the time of execution of the note or written agreement evidencing such loan, shall be entitled to have paid on his behalf and for his account to the holder of the loan, over the period of the loan, a portion of the interest on the loan. For the purposes of this paragraph, the adjusted family income of a student shall be determined pursuant to regulations of the Commissioner in effect at the time of the execution of the note or written agreement evidencing the loan. Such regulations shall provide for taking into account such factors, including family size, as the Commissioner deems appropriate. In the absence of fraud by the lender, such determination of the adjusted family income of a student shall be final insofar as it concerns the obligation of the Commissioner to pay the holder of a loan a portion of the interest on the loan.

"(2) The portion of the interest on a loan which a student is entitled to have paid on his behalf and for his account to the holder of the loan pursuant to paragraph (1) shall be equal to the total amount of the interest on the unpaid principal amount of the loan, which accrues prior to the beginning of the repayment period of the loan, and 3 per centum per annum of the unpaid principal amount of the loan (excluding interest which has been added to principal) thereafter; but such portion of the interest on a loan shall not exceed, for any period, the amount of the interest on that loan which is payable by the student after taking into consideration the amount of any interest on that loan which the student is entitled to have paid on his behalf for that period under any State or private loan insurance program. The holder of a loan with respect to which payments are required to be made under this section shall be deemed to have a contractual right, as against the United States, to receive from the Commissioner the portion of interest which has been so determined. The Commissioner shall pay this portion of the interest to the holder of the loan on behalf of and for the account of the borrower at such times as may be specified in regulations in force when the applicable agreement entered into pursuant to subsection (b) was made, or if the loan was made by a State or is insured under a program which is not covered by such an agreement, at such times as may be specified in regulations in force at the time the loan was paid to the student.

"(3) Each holder of a loan with respect to which payments of interest are required to be made by the Commissioner shall submit to the Commissioner, at such time or times and in such manner as he may prescribe, statements containing such information as may be required by or pursuant to regulation for the purpose of enabling the Commissioner to determine the amount of the payment which he must make with respect to that loan.

"(4) The period referred to in subparagraphs (B) and (C) of paragraph (1) of this subsection shall begin on the date of enactment of this Act and end at the close of June 30, 1968, except that, in the case of a loan made or insured under a student loan or loan insurance program to enable a student who has obtained a prior loan made or insured under such program to continue his educational program, such period shall end at the close of June 30, 1972.

"(5) No payment may be made under this section with respect to the interest on a loan made from a student loan fund established

under title II of the National Defense Education Act of 1958.

"(6) In no event shall interest payments with respect to the same student loan be made under both this section and under section 9 of the National Vocational Student Loan Insurance Act of 1965.

"(b) (1) Any State or any nonprofit private institution or organization may enter into an agreement with the Commissioner for the purpose of entitling students who receive loans which are insured under a student loan insurance program of that State, institution, or organization to have made on their behalf the payments provided for in subsection (a) if the Commissioner determines that the student loan insurance program—

"(A) authorizes the insurance of not less than \$1,000 nor more than \$1,500 in loans to any individual student in any academic year or its equivalent (as determined under regulations of the Commissioner);

"(B) authorizes the insurance of loans to any individual student for at least six academic years of study or their equivalent (as determined under regulations of the Commissioner);

"(C) provides that (i) the student borrower shall be entitled to accelerate without penalty the whole or any part of an insured loan, (ii) the period of any insured loan may not exceed fifteen years from the date of execution of the note or other written evidence of the loan, and (iii) the note or other written evidence of any loan may contain such provisions relating to repayment in the event of default by the borrower as may be authorized by regulations of the Commissioner in effect at the time such note or written evidence was executed;

"(D) subject to subparagraph (C), provides that, where the total of the insured loans to any student which are held by any one person exceeds \$2,000, repayment of such loans shall be in installments over a period of not less than five years nor more than ten years beginning not earlier than nine months nor later than one year after the student ceases to pursue a full-time course of study at an eligible institution, except that if the program provides for the insurance of loans for part-time study at eligible institutions the program shall provide that such repayment period shall begin not earlier than nine months nor later than one year after the student ceases to carry at an eligible institution at least one-half the normal full-time academic workload as determined by the institution;

"(E) authorizes interest on the unpaid balance of the loan at a yearly rate not in excess of 6 per centum per annum on the unpaid principal balance of the loan (exclusive of any premium for insurance which may be passed on the borrower);

"(F) insures not less than 80 per centum of the unpaid principal of loans insured under the program;

"(G) does not provide for collection of an excessive insurance premium;

"(H) provides that the benefits of the loan insurance program will not be denied any student because of his family income or lack of need if his adjusted family income at the time the note or written agreement is executed is less than \$15,000 (as determined pursuant to the regulations of the Commissioner prescribed under section 428(a)(1));

"(I) provides that a student may obtain insurance under the program for a loan for any year of study at an eligible institution; and

"(J) in the case of a State program, provides that such State program is administered by a single State agency, or by one or more nonprofit private institutions or organizations under the supervision of a single State agency.

"(2) Such an agreement shall—

"(A) provide that the holder of any such loan will be required to submit to the Com-

missioner, at such time or times and in such manner as he may prescribe, statements containing such information as may be required by or pursuant to regulation for the purpose of enabling the Commissioner to determine the amount of the payment which he must make with respect to that loan;

"(B) include such other provisions as may be necessary to protect the financial interest of the United States and promote the purposes of this part and as are agreed to by the Commissioner and the State or nonprofit private organization or institution, as the case may be; and

"(C) provide for making such reports in such form and containing such information as the Commissioner may reasonably require to carry out his function under this part and for keeping such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports.

"Certificates of Federal Loan Insurance— Effective Date of Insurance

"SEC. 429. (a) (1) If, upon application by an eligible lender, made upon such form, containing such information, and supported by such evidence as the Commissioner may require, and otherwise in conformity with this section, the Commissioner finds that the applicant has made a loan to an eligible student which is insurable under the provisions of this part, he may issue to the applicant a certificate of insurance covering the loan and setting forth the amount and terms of the insurance.

"(2) Insurance evidenced by a certificate of insurance pursuant to subsection (a) (1) shall become effective upon the date of issuance of the certificate, except that the Commissioner is authorized, in accordance with regulations, to issue commitments with respect to proposed loans, or with respect to lines (or proposed lines) of credit, submitted by eligible lenders, and in that event, upon compliance with subsection (a) (1) by the lender, the certificate of insurance may be issued effective as of the date when any loan, or any payment by the lender pursuant to a line of credit, to be covered by such insurance was made. Such insurance shall cease to be effective upon sixty days' default by the lender in the payment of any installment of the premiums payable pursuant to subsection (c).

"(3) An application submitted pursuant to subsection (a) (1) shall contain (A) an agreement by the applicant to pay, in accordance with regulations, the premiums fixed by the Commissioner pursuant to subsection (c), and (B) an agreement by the applicant that if the loan is covered by insurance the applicant will submit such supplementary reports and statements during the effective period of the loan agreement, upon such forms, at such times, and containing such information as the Commissioner may prescribe by or pursuant to regulation.

"(b) (1) In lieu of requiring a separate insurance application and issuing a separate certificate of insurance for each student loan made by an eligible lender as provided in subsection (a), the Commissioner may, in accordance with regulations consistent with section 424, issue to any eligible lender applying therefor a certificate of comprehensive insurance coverage which shall, without further action by the Commissioner, insure all insurable loans made by that lender, on or after the date of the certificate and before a specified cutoff date, within the limits of an aggregate maximum amount stated in the certificate. Such regulations may provide for conditioning such insurance, with respect to any loan, upon compliance by the lender with such requirements (to be stated or incorporated by reference in the certificate) as in the Commissioner's judgment will best achieve the purpose of this subsection while protecting the financial interest of the

United States and promoting the objectives of this part, including (but not limited to) provisions as to the reporting of such loans and information relevant thereto to the Commissioner and as to the payment of initial and other premiums and the effect of default therein, and including provisions for confirmation by the Commissioner from time to time (through endorsement of the certificate) of the coverage of specific new loans by such certificate, which confirmation shall be incontestable by the Commissioner in the absence of fraud or misrepresentation of fact or patent error.

"(2) If the holder of a certificate of comprehensive insurance coverage issued under this subsection grants to a student a line of credit extending beyond the cutoff date specified in that certificate, loans or payments thereon made by the holder after that date pursuant to the line of credit shall not be deemed to be included in the coverage of that certificate except as may be specifically provided therein; but, subject to the limitations of section 424, the Commissioner may, in accordance with regulations, make commitments to insure such future loans or payments, and such commitments may be honored either as provided in subsection (a) or by inclusion of such insurance in comprehensive coverage under this subsection for the period or periods in which such future loans or payments are made.

"(c) The Commissioner shall, pursuant to regulations, charge for insurance on each loan under this part a premium in an amount not to exceed one-fourth of 1 per centum per year of the unpaid principal amount of such loan (excluding interest added to principal), payable in advance, at such times and in such manner as may be prescribed by the Commissioner. Such regulations may provide that such premium shall not be payable, or if paid shall be refundable, with respect to any period after default in the payment of principal or interest or after the borrower has died or becomes totally and permanently disabled, if (1) notice of such default or other event has been duly given, and (2) request for payment of the loss insured against has been made or the Commissioner has made such payment on his own motion pursuant to section 430(a).

"(d) The rights of an eligible lender arising under insurance evidenced by a certificate of insurance issued to it under this section may be assigned as security by such lender only to another eligible lender, and subject to regulation by the Commissioner.

"(e) The consolidation of the obligations of two or more federally-insured loans obtained by a student borrower in any fiscal year into a single obligation evidenced by a single instrument of indebtedness shall not affect the insurance by the United States. If the loans thus consolidated are covered by separate certificates of insurance issued under subsection (a), the Commissioner may upon surrender of the original certificates issue a new certificate of insurance in accordance with that subsection upon the consolidated obligation; if they are covered by a single comprehensive certificate issued under subsection (b), the Commissioner may amend that certificate accordingly.

"Default, Death, or Disability of Student Under Federal Loan Insurance Program

"SEC. 430. (a) Upon default by the student borrower on any loan covered by Federal loan insurance pursuant to this part, or upon the death of the student borrower or a finding by the insurance beneficiary that the borrower has become totally and permanently disabled (as determined in accordance with regulations established by the Commissioner) before the loan has been repaid in full, and prior to the commencement of suit or other enforcement proceeding upon security for that loan, the insurance beneficiary shall promptly notify the Com-

missioner, and the Commissioner shall if requested (at that time or after further collection efforts) by the beneficiary, or may on his own motion, if the insurance is still in effect, pay to the beneficiary the amount of the loss sustained by the insured upon that loan as soon as that amount has been determined. The 'amount of the loss' on any loan shall, for the purposes of this subsection and subsection (b), be deemed to be an amount equal to the unpaid balance of the principal amount of the loan (other than interest added to principal).

"(b) Upon payment by the Commissioner of the amount of the loss pursuant to subsection (a), the United States shall be subrogated to all of the rights of the holder of the obligation upon the insured loan and shall be entitled to an assignment of the note or other evidence of the insured loan by the insurance beneficiary. If the net recovery made by the Commissioner on a loan after deduction of the cost of that recovery (including reasonable administrative costs) exceeds the amount of the loss, the excess shall be paid over to the insured.

"(c) Nothing in this section or in this part shall be construed to preclude any forbearance for the benefit of the student borrower which may be agreed upon by the parties to the insured loan and approved by the Commissioner, or to preclude forbearance by the Commissioner in the enforcement of the insured obligation after payment on that insurance, or to require collection of the amount of any loan by the insurance beneficiary or by the Commissioner from the estate of a deceased borrower or from a borrower found by the insurance beneficiary to have become permanently and totally disabled.

"(d) Nothing in this section or in this part shall be construed to excuse the holder of a federally insured loan from exercising reasonable care and diligence in the making and collection of loans under the provisions of this part. If the Commissioner, after reasonable notice and opportunity for hearing to an eligible lender, finds that it has substantially failed to exercise such care and diligence or to make the reports and statements required under section 428(a)(3) and section 429(a)(3), or to pay the required Federal loan insurance premiums, he shall disqualify that lender for further Federal insurance on loans granted pursuant to this part until he is satisfied that its failure has ceased and finds that there is reasonable assurance that the lender will in the future exercise necessary care and diligence or comply with such requirements, as the case may be.

"(e) As used in this section—

"(1) the term 'insurance beneficiary' means the insured or its authorized assignee in accordance with section 429(d); and

"(2) the term 'default' includes only such defaults as have existed for (A) one hundred and twenty days in the case of a loan which is repayable in monthly installments, or (B) one hundred and eighty days in the case of a loan which is repayable in less frequent installments.

"Insurance Fund

"SEC. 431. (a) There is hereby established a student loan insurance fund (hereinafter in this section called the 'fund') which shall be available without fiscal year limitation to the Commissioner for making payments in connection with the default of loans insured by him under this part. All amounts received by the Commissioner as premium charges for insurance and as receipts, earnings, or proceeds derived from any claim or other assets acquired by the Commissioner in connection with his operations under this part, and any other moneys, property, or assets derived by the Commissioner from his operations in connection with this section, shall be deposited in the fund. All payments in connection with the default of loans insured

by the Commissioner under this part shall be paid from the fund. Moneys in the fund not needed for current operations under this section may be invested in bonds or other obligations guaranteed as to principal and interest by the United States.

"(b) If at any time the moneys in the fund are insufficient to make payments in connection with the default of any loan insured by the Commissioner under this part, the Commissioner is authorized to issue to the Secretary of the Treasury notes or other obligations in such forms and denominations, bearing such maturities, and subject to such terms and conditions as may be prescribed by the Commissioner with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations issued hereunder and for that purpose he is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under that Act, as amended, are extended to include any purchases of such notes and obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this subsection. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States. Sums borrowed under this subsection shall be deposited in the fund and redemption of such notes and obligations shall be made by the Commissioner from such fund.

"Legal Powers and Responsibilities

"SEC. 432. (a) In the performance of, and with respect to, the functions, powers, and duties vested in him by this part, the Commissioner may—

"(1) prescribe such regulations as may be necessary to carry out the purposes of this part;

"(2) sue and be sued in any court of record of a State having general jurisdiction or in any district court of the United States, and such district courts shall have jurisdiction of civil actions arising under this part without regard to the amount in controversy, and any action instituted under this subsection by or against the Commissioner shall survive notwithstanding any change in the person occupying the office of Commissioner or any vacancy in that office; but no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against the Commissioner or property under his control, and nothing herein shall be construed to except litigation arising out of activities under this part from the application of sections 507(b) and 2679 of title 28 of the United States Code and of section 367 of the Revised Statutes (5 U.S.C. 316);

"(3) include in any contract for Federal loan insurance such terms, conditions, and covenants relating to repayment of principal and payment of interest, relating to his obligations and rights and to those of eligible lenders, and borrowers in case of default, and relating to such other matters as the Commissioner determines to be necessary to assure that the purposes of this part will be achieved; and any term, condition, and covenant made pursuant to this clause or any other provisions of this part may be modified by the Commissioner if he determines that modification is necessary to

protect the financial interest of the United States;

"(4) subject to the specific limitations in this part, consent to the modification, with respect to rate of interest, time of payment of any installment of principal and interest or any portion thereof, or any other provision of any note or other instrument evidencing a loan which has been insured by him under this part;

"(5) enforce, pay, or compromise, any claim on, or arising because of, any such insurance; and

"(6) enforce, pay, compromise, waive, or release any right, title, claim, lien, or demand, however acquired, including any equity or any right or redemption.

"(b) The Commissioner shall, with respect to the financial operations arising by reason of this part—

"(1) prepare annually and submit a budget program as provided for wholly owned Government corporations by the Government Corporation Control Act; and

"(2) maintain with respect to insurance under this part an integral set of accounts, which shall be audited annually by the General Accounting Office in accordance with principles and procedures applicable to commercial corporate transactions, as provided by section 105 of the Government Corporation Control Act, except that the transactions of the Commissioner, including the settlement of insurance claims and of claims for payments pursuant to section 428, and transactions related thereto and vouchers approved by the Commissioner in connection with such transactions, shall be final and conclusive upon all accounting and other officers of the Government.

"Advisory Council on Insured Loans to Students

"SEC. 433. (a) The Secretary shall establish in the Office of Education an Advisory Council on Insured Loans to Students, consisting of the Commissioner, who shall be Chairman, and eight members appointed, without regard to the civil service laws, by the Secretary. The membership of the Council shall include persons representing State loan insurance programs, private nonprofit loan insurance programs, financial and credit institutions, and institutions of higher education.

"(b) The Advisory Council shall advise the Commissioner with respect to policy matters arising in the administration of this part, including policies and procedures governing the making of advances under section 422 and the Federal payments to reduce student interest costs under section 428.

"(c) Members of the Advisory Council who are not regular full-time employees of the United States shall, while serving on the business of the Council, be entitled to receive compensation at rates fixed by the Secretary, but not exceeding \$100 per day, including travel time; and, while so serving away from their homes or regular places of business, members may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b-2) for persons in the Government service employed intermittently.

"Participation by Federal Credit Unions in Federal, State, and Private Student Loan Insurance Programs

"SEC. 434. Notwithstanding any other provision of law, Federal credit unions shall, pursuant to regulations of the Director of the Bureau of Federal Credit Unions, have power to make insured loans up to 10 per centum of their assets, to student members in accordance with the provisions of this part relating to federally insured loans, or in accordance with the provisions of any State or nonprofit private student loan insurance program which meets the requirements of section 428(a)(1)(C).

"Definitions for Reduced-Interest Student Loan Insurance Program"

"SEC. 435. As used in this part:

"(a) The term 'eligible institution' means an educational institution in any State which (1) admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such certificate, (2) is legally authorized within such State to provide a program of education beyond secondary education, (3) provides an educational program for which it awards a bachelor's degree or provides not less than a two-year program which is acceptable for full credit toward such a degree, (4) is a public or other nonprofit institution, and (5) is accredited by a nationally recognized accrediting agency or association approved by the Commissioner for this purpose or, if not so accredited, (A) is an institution with respect to which the Commissioner has determined that there is satisfactory assurance, considering the resources available to the institution, the period of time, if any, during which it has operated, the effort it is making to meet accreditation standards, and the purpose for which this determination is being made, that the institution will meet the accreditation standards of such an agency or association within a reasonable time, or (B) is an institution whose credits are accepted on transfer by not less than three institutions which are so accredited, for credit on the same basis as if transferred from an institution so accredited. Such term also includes any public or other nonprofit collegiate or associate degree school of nursing and any school which provides not less than a one-year program of training to prepare students for gainful employment in a recognized occupation and which meets the provisions of clauses (1), (2), (4), and (5). If the Commissioner determines that a particular category of such schools does not meet the requirements of clause (5) because there is no nationally recognized accrediting agency or association qualified to accredit schools in such category, he shall, pending the establishment of such an accrediting agency or association, appoint an advisory committee, composed of persons specially qualified to evaluate training provided by schools in such category, which shall (i) prescribe the standards of content, scope, and quality which must be met in order to qualify schools in such category to participate in the program pursuant to this part, and (ii) determine whether particular schools not meeting the requirements of clause (5) meet those standards. For purposes of this subsection, the Commissioner shall publish a list of nationally recognized accrediting agencies or associations which he determines to be reliable authority as to the quality of training offered.

"(b) The term 'collegiate school of nursing' means a department, division, or other administrative unit in a college or university which provides primarily or exclusively an accredited program of education in professional nursing and allied subjects leading to the degree of bachelor of arts, bachelor of science, bachelor of nursing, or to an equivalent degree, or to a graduate degree in nursing.

"(c) The term 'associate degree school of nursing' means a department, division, or other administrative unit in a junior college, community college, college, or university which provides primarily or exclusively an accredited two-year program of education in professional nursing and allied subjects leading to an associate degree in nursing or to an equivalent degree.

"(d) The term 'accredited' when applied to any program of nurse education means a program accredited by a recognized body or bodies approved for such purpose by the Commissioner of Education.

"(e) The term 'eligible lender' means an eligible institution, an agency or instrumentality of a State, or a financial or credit institution (including an insurance company) which is subject to examination and supervision by an agency of the United States or of any State.

"(f) The term 'line of credit' means an arrangement or agreement between the lender and the borrower whereby a loan is paid out by the lender to the borrower in annual installments, or whereby the lender agrees to make, in addition to the initial loan, additional loans in subsequent years.

"Part C—College work-study program extension and amendments"

"Transfer of Authority and Other Amendments"

"SEC. 441. Parts C and D of title I of the Economic Opportunity Act of 1964 (Public Law 88-452) are amended as follows:

"(1) By striking out 'Director' in the first sentence of section 122(a) and inserting in lieu thereof 'Commissioner of Education (hereinafter in this part referred to as the "Commissioner")', and by striking out 'Director' wherever that word appears in the other provisions of such part C and inserting in lieu thereof 'Commissioner';

"(2) By amending that part of section 121 that follows the section designation to read as follows: 'The purpose of this part is to stimulate and promote the part-time employment of students, particularly students from low-income families, in institutions of higher education who are in need of the earnings from such employment to pursue courses of study at such institutions.';

"(3) By striking out section 123 and inserting in lieu thereof the following:

"Grants for Work-Study Programs"

"SEC. 123. (a) The Commissioner is authorized to enter into agreements with institutions of higher education under which the Commissioner will make grants to such institutions to assist in the operation of work-study programs as hereinafter provided.

"(b) For the purposes of this part—

"(1) The term "institution of higher education" means an educational institution in any State which (A) admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such certificate, (B) is legally authorized within such State to provide a program of education beyond secondary education, (C) provides an educational program for which it awards a bachelor's degree or provides not less than a two-year program which is acceptable for full credit toward such a degree, (D) is a public or other nonprofit institution, and (E) is accredited by a nationally recognized accrediting agency or association approved by the Commissioner for this purpose or, if not so accredited, (i) is an institution with respect to which the Commissioner has determined that there is satisfactory assurance, considering the resources available to the institution, the period of time, if any, during which it has operated, the effort it is making to meet accreditation standards, and the purpose for which this determination is being made, that the institution will meet the accreditation standards of such an agency or association within a reasonable time, or (ii) is an institution whose credits are accepted on transfer by not less than three institutions which are so accredited, for credit on the same basis as if transferred from an institution so accredited. Such term also includes any public or other nonprofit collegiate or associate degree school of nursing and any school which provides not less than a one-year program of training to prepare students for gainful employment in a recognized occupation and which meets the provisions of clauses (A), (B), (D), and (E). If the Com-

missioner determines that a particular category of such schools does not meet the requirements of clause (E) because there is no nationally recognized accrediting agency or association qualified to accredit schools in such category, he shall, pending the establishment of such an accrediting agency or association, appoint an advisory committee, composed of persons specially qualified to evaluate training provided by schools in such category, which shall (I) prescribe the standards of content, scope, and quality which must be met in order to qualify schools in such category to participate in the program pursuant to this part, and (II) determine whether particular schools not meeting the requirements of clause (E) meet those standards. For purposes of this subsection, the Commissioner shall publish a list of nationally recognized accrediting agencies or associations which he determines to be reliable authority as to the quality of training offered.

"(2) The term "collegiate school of nursing" means a department, division, or other administrative unit in a college or university which provides primarily or exclusively an accredited program of education in professional nursing and allied subjects leading to the degree of bachelor of arts, bachelor of science, bachelor of nursing, or to an equivalent degree, or to a graduate degree in nursing.

"(3) The term "associate degree school of nursing" means a department, division, or other administrative unit in a junior college, community college, college, or university which provides primarily or exclusively an accredited two-year program of education in professional nursing and allied subjects leading to an associate degree in nursing or to an equivalent degree.

"(4) The term "accredited" when applied to any program of nurse education means a program accredited by a recognized body or bodies approved for such purpose by the Commissioner."

"(4) By striking out section 124(a) and inserting in lieu thereof the following:

"(a) provide for the operation by the institution of a program for the part-time employment of its students in work for the institution itself or work in the public interest for a public or private nonprofit organization under an arrangement between the institution and such organization, and such work—

"(1) will not result in the displacement of employed workers or impair existing contracts for services,

"(2) will be governed by such conditions of employment as will be appropriate and reasonable in light of such factors as type of work performed, geographical region, and proficiency of the employee, and

"(3) does not involve the construction, operation, or maintenance of so much of any facility as is used or is to be used for sectarian instruction or as a place for religious worship;"

"(5) By redesignating clauses (2), (3), and (4), of paragraph (c) of section 124 as clauses (1), (2), and (3), and by striking out so much of such paragraph as precedes such redesignated clauses and inserting in lieu thereof the following: '(c) provide that in the selection of students for employment under such work-study program preference shall be given to students from low-income families and that employment under such work-study program shall be furnished only to a student who';

"(6) By inserting before the period at the end of section 125 a comma and the following: 'and such share may be paid to such student in the form of services and equipment (including tuition, room, board, and books) furnished by such institution'; and

"(7) By striking out 'provided for in' in section 131 and inserting in lieu thereof 'for which he is responsible under'.

"Appropriations Authorized"

"SEC. 442. There are authorized to be appropriated \$129,000,000 for the fiscal year ending June 30, 1966, \$165,000,000 for the fiscal year ending June 30, 1967, and \$200,000,000 for the fiscal year ending June 30, 1968, to carry out the purposes of part C of title I of the Economic Opportunity Act of 1964 (Public Law 88-452). Any sums which are appropriated for the fiscal year ending June 30, 1966, for the purpose of such part C pursuant to an authorization in the Economic Opportunity Act of 1964, or are allocated for such purpose from any appropriation for such year, shall be made available, to the extent unexpended on the date of enactment of this Act, to the Commissioner for carrying out such part C, and the total of such sums (including amounts expended prior to such date) shall be deducted from the authorization in this section for such year. Sixty million dollars of the authorization for title I of the Economic Opportunity Act of 1964 for the fiscal year ending June 30, 1966, as contained in section 131 of such Act, shall be only for the purpose of part C of such title. No provision in the Economic Opportunity Act of 1964 which authorizes the appropriation of funds to carry out that Act shall apply to such part C after June 30, 1966.

"Part D—Amendments to National Defense Education Act of 1958"

"Definition of Institution of Higher Education"

"SEC. 461. Section 103(b) of the National Defense Education Act of 1958 is amended to read as follows:

"(b) The term 'institution of higher education' means an educational institution in any State which (1) admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such certificate, (2) is legally authorized within such State to provide a program of education beyond secondary education, (3) provides an educational program for which it awards a bachelor's degree or provides not less than a two-year program which is acceptable for full credit toward such a degree, (4) is a public or other nonprofit institution, and (5) is accredited by a nationally recognized accrediting agency or association approved by the Commissioner for this purpose or, if not so accredited, (A) is an institution with respect to which the Commissioner has determined that there is satisfactory assurance, considering the resources available to the institution, the period of time, if any, during which it has operated, the effort it is making to meet accreditation standards, and the purpose for which this determination is being made, that the institution will meet the accreditation standards of such an agency or association within a reasonable time, or (B) is an institution whose credits are accepted on transfer by not less than three institutions which are so accredited, for credit on the same basis as if transferred from an institution so accredited. For purposes of title II, such terms includes any school of nursing as defined in subsection (1) of this section, and also includes any school which provides not less than a one-year program of training to prepare students for gainful employment in a recognized occupation and which meets the provisions of clauses (1), (2), (4), and (5). If the Commissioner determines that a particular category of such schools does not meet the requirements of clause (5) because there is no nationally recognized accrediting agency or association qualified to accredit schools in such category, he shall, pending the establishment of such an accrediting agency or association, appoint an advisory committee, composed of persons specially qualified to evaluate training provided by schools in such category, which shall (i) prescribe the stand-

ards of content, scope, and quality which must be met in order to qualify schools in such category to participate in the student loan program under title II, and (ii) determine whether particular school not meeting the requirements of clause (5) meet those standards. For purposes of this subsection, the Commissioner shall publish a list of nationally recognized accrediting agencies or associations which he determines to be reliable authority as to the quality of training offered."

"Conditions of Agreements; Administrative Costs"

"SEC. 462. Clause (3) of section 204 of the National Defense Education Act of 1958 is amended to read as follows:

"(3) provide that such student loan fund shall be used only for (A) loans to students in accordance with such agreement, (B) capital distributions as provided in this title, (C) routine expenses incurred by the institution in administering the student loan fund, except that the amount withdrawn from such student loan fund for such routine expenses by an institution in any fiscal year may not exceed either (i) one-half of such routine expenses as estimated for that year by the Commissioner with the advice of an advisory committee which the Commissioner is hereby authorized to appoint on an annual or such other basis as he may deem appropriate, or (ii) 1 per centum of the aggregate of the outstanding loans made from that fund as of the close of that year, whichever is the lesser, and (D) costs of litigation, and other collection costs agreed to by the Commissioner, arising in connection with the collection of any loan from the fund, interest on such loan, or charge assessed with respect to that loan pursuant to section 205(c);."

"Technical Amendment for Part-time Students"

"SEC. 463. (a) The portion of section 205 (b)(2) of the National Defense Education Act of 1958 which precedes clause (A)(ii) thereof is amended to read as follows:

"(2) such a loan shall be evidenced by a note or other written agreement which provides for repayment of the principal amount, together with interest thereon, in equal installments (or, if the borrower so requests, in graduated periodic installments determined in accordance with such schedules as may be approved by the Commissioner) payable quarterly, bimonthly, or monthly (at the option of the institution) over a period beginning nine months after the date on which the borrower ceases to carry, at an institution of higher education or at a comparable institution outside the States approved for this purpose by the Commissioner, at least one-half the normal full-time academic workload as determined by that institution, and ending ten years and nine months after such date, except that (A) interest shall not accrue on any such loan, and installments need not be paid during any period (i) during which the borrower is carrying, at an institution of higher education or at a comparable institution outside the States approved for this purpose by the Commissioner, at least one-half the normal full-time academic workload as determined by the institution."

"(b) Clause (D) of such section 205(b)(2) is amended by striking out 'periodic', and by striking out 'part-time' and inserting in lieu thereof 'less than half-time'."

"(c) The amendments made by this section shall apply to a loan outstanding on the date of enactment of this Act only with the consent of the borrower and the institution which made the loan."

"Minimum Rate of Repayment"

"SEC. 464. (a) Section 205(b)(3) of the National Defense Education Act of 1958 is further amended by striking out 'and' before '(E)' and by inserting at the end thereof be-

fore the semicolon ', and (F) the institution may provide, in accordance with regulations of the Commissioner, that during the repayment period of the loan payments of principal and interest by the borrower with respect to all the outstanding loans made to him from loan funds established pursuant to this title shall be at a rate equal to not less than \$15 per month'."

"(b) The amendment made by this section shall be applicable only with respect to loans made after the date of enactment of this Act."

"Cancellation of Loans for Teachers"

"SEC. 465. (a) Section 205(b)(3) of the National Defense Education Act of 1958 is amended—

"(1) by inserting 'total' before 'amount' and by striking out ', which was unpaid on the first day of such service';

"(2) by inserting 'or its equivalent (as determined under regulations of the Commissioner)' after 'academic year'; and

"(3) by inserting before the semicolon at the end thereof a comma and the following: 'except that (A) such rate shall be 15 per centum for each complete academic year or its equivalent (as determined under regulations of the Commissioner) of service as a full-time teacher in a public or other nonprofit elementary or secondary school which is in the school district of a local educational agency which is eligible in such year for assistance pursuant to title II of Public Law 874, Eighty-first Congress, as amended, and which for purposes of this clause and for that year has been determined by the Commissioner, pursuant to regulations and after consultation with the State educational agency of the State in which the school is located, to be a school in which there is a high concentration of students from low-income families, except that the Commissioner shall not make such determination with respect to more than 25 per centum of the total of the public and other nonprofit elementary and secondary schools in any one State for any one year, and (B) for the purposes of any cancellation pursuant to clause (A), an additional 50 per centum of any such loan (plus interest) may be cancelled but nothing in this paragraph shall authorize refunding any payment'."

"(b) The amendments made by clauses (1) and (3) of subsection (a) shall apply with respect to service performed during academic years beginning after the date of enactment of this Act, whether the loan was made before or after such enactment. The amendment made by clause (2) of subsection (a) shall apply with respect to service performed during academic years beginning after the enactment of the National Defense Education Act Amendments, 1964, Public Law 88-665, whether or not the loan was made before or after such enactment."

"Charges"

"SEC. 466. (a) Section 205 of the National Defense Education Act of 1958 is further amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

"(c) Pursuant to regulations of the Commissioner, an institution may assess a charge with respect to a loan from the loan fund established by the institution pursuant to this title for failure of the borrower to pay all or any part of an installment when it is due and, in the case of a borrower who is entitled to deferment benefits under section 205(b)(2) or cancellation benefits under section 205(b)(3), for any failure to file timely and satisfactory evidence of such entitlement. The amount of any such charge may not exceed—

"(1) in the case of a loan which is repayable in monthly installments, \$1 for the first month or part of a month by which such installment or evidence is late and \$2 for

each such month or part of a month thereafter; and

"(2) in the case of a loan which has a bi-monthly or quarterly repayment interval, \$3 and \$6, respectively, for each such interval or part thereof by which such installment or evidence is late.

The institution may elect to add the amount of any such charge to the principal amount of the loan as of the first day after the day on which such installment or evidence was due, or to make the amount of the charge payable to the institution not later than the due date of the next installment after receipt by the borrower of notice of the assessment of the charge."

"(b) Clause (2) of section 204 of such Act is amended by striking out 'and (D)' and inserting in lieu thereof '(D) charges collected pursuant to section 205(c), and (E)'."

"(c) The amendment made by subsection (a) shall be applicable only with respect to loans made after the date of enactment of this Act.

"Economics, civic, and industrial arts

"SEC. 467. (a) (1) Clauses (1) and (5) of section 303(a) of the National Defense Education Act of 1958 are each amended by inserting 'economics,' after 'geography'."

"(2) Section 301 of such Act is amended by striking out 'and \$90,000,000 for the fiscal year ending June 30, 1965, and for each of the three succeeding fiscal years' and inserting in lieu thereof '\$90,000,000 for the fiscal year ending June 30, 1965, and \$100,000,000 for the fiscal year ending June 30, 1966, and for each of the two succeeding fiscal years'."

"(b) Section 1101 of such Act is amended—

"(1) by striking out 'each of the three succeeding fiscal years' and inserting in lieu thereof '\$50,000,000 for the fiscal year ending June 30, 1966, and for each of the two succeeding fiscal years'; and

"(2) by inserting 'economics, civics, industrial arts,' after 'geography'."

"TITLE V—TEACHER PROGRAMS

"Part A—General provisions

"Advisory Council on Quality Teacher Preparation

"SEC. 501. (a) The Commissioner shall establish in the Office of Education an Advisory Council on Quality Teacher Preparation for the purpose of reviewing the administration and operation of the programs carried out under this title and of all other Federal programs for complementary purposes. This review shall pay particular attention to the effectiveness of these programs in attracting, preparing, and retaining highly qualified elementary and secondary school teachers, and it shall include recommendations for the improvement of these programs. The Council shall consist of the Commissioner, who shall be Chairman, and twelve members appointed for staggered terms and without regard to the civil service laws, by the Commissioner with the approval of the Secretary. Such twelve members shall include persons knowledgeable with respect to teacher preparation and the needs of urban and rural schools, and representatives of the general public.

"(b) Members of such Advisory Council who are not regular full-time employees of the United States shall, while attending meetings or conferences of such Council or otherwise engaged on business of such Council be entitled to receive compensation at a rate fixed by the Secretary, but not exceeding \$100 per diem, including travel time, and, while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b-2) for persons in the Government service employed intermittently.

"(c) The Council may appoint an Executive Secretary and such other employees as the Council deems necessary to carry out its functions under this title.

"Limitation

"SEC. 502. Nothing contained in this title shall be construed to authorize the making of any payment under this title for religious worship or instruction.

"Part B—National Teacher Corps

"Statement of Purpose and Authorization of Appropriations

"SEC. 511. (a) The purpose of this part is to strengthen the educational opportunities available to children in areas having concentrations of low-income families and to encourage colleges and universities to broaden their programs of teacher preparation by—

"(1) attracting and training qualified teachers who will be made available to local educational agencies for teaching in such areas; and

"(2) attracting and training inexperienced teacher-interns who will be made available for teaching and inservice training to local educational agencies in such areas in teams led by an experienced teacher.

"(b) For the purpose of carrying out this part, there are authorized to be appropriated \$36,100,000 for the fiscal year ending June 30, 1966, and \$64,715,000 for the fiscal year ending June 30, 1967.

"Establishment of National Teacher Corps

"SEC. 512. In order to carry out the purposes of this part, there is hereby established in the Office of Education a National Teacher Corps (hereinafter referred to as the "Teacher Corps"). The Teacher Corps shall be headed by a Director who shall be compensated at the rate prescribed for grade 17 of the General Schedule of the Classification Act of 1949, and a Deputy Director who shall be compensated at the rate prescribed for grade 16 of such General Schedule. The Director and the Deputy Director shall perform such duties as are delegated to them by the Commissioner.

"Teacher Corps Program

"SEC. 513. (a) For the purpose of carrying out this part, the Commissioner is authorized to—

"(1) recruit, select, and enroll experienced teachers, and inexperienced teacher-interns who have a bachelor's degree or its equivalent, in the Teacher Corps for periods of up to two years;

"(2) enter into arrangements, through grants or contracts, with institutions of higher education or State or local educational agencies to provide members of the Teacher Corps with such training as the Commission may deem appropriate to carry out the purposes of this part, including not more than three months of training for members before they undertake their teaching duties under this part;

"(3) enter into arrangements (including the payment of the cost of such arrangements) with local educational agencies, after consultation in appropriate cases with State educational agencies and institutions of higher education, to furnish to local educational agencies, for service during regular or summer sessions, or both, in the schools of such agencies in areas having concentrations of children from low-income families, either or both (A) experienced teachers, or (B) teaching teams, each of which shall consist of an experienced teacher and a number of teacher-interns who, in addition to teaching duties, shall be afforded time by the local educational agency for a teacher-intern training program developed according to criteria established by the Commissioner and carried out under the guidance of the experienced teacher in cooperation with an institution of higher education; and

"(4) pay to local educational agencies the

amount of the compensation which such agencies pay to or on behalf of members of the Teacher Corps assigned to them pursuant to arrangements made pursuant to the preceding clause.

"(b) Arrangements with institutions of higher education to provide training for teacher-interns while teaching in schools for local educational agencies under the provisions of this part shall provide, wherever possible, for training leading to a graduate degree.

"(c) (1) Whenever the Commissioner determines that the demand for the services of experienced teachers or of teaching teams furnished pursuant to clause (3) of subsection (a) exceeds the number of experienced teachers or teaching teams available from the Teacher Corps, the Commissioner shall, to the extent practicable, allocate experienced teachers or teaching teams, as the case may be, from the Teacher Corps among the States in accordance with paragraph (2).

"(2) Not to exceed 2 per centum of such teachers or teams, as the case may be, shall be allocated to Puerto Rico, and the Virgin Islands according to their respective needs. The remainder of such teams or teachers, as the case may be, shall be allocated among the other States in proportion to the number of children counted in each State for the purpose of determining the amount of basic grants made under section 203 of title II of Public Law 874, Eighty-first Congress, as amended, for the fiscal year for which the allocation is made.

"(d) A local educational agency may utilize members of the Teacher Corps assigned to it in providing, in the manner described in section 205(a)(2) of Public Law 874, Eighty-first Congress, as amended, educational services in which children enrolled in private elementary and secondary schools can participate.

"Compensation

"SEC. 514. (a) An arrangement made with a local educational agency pursuant to paragraph (3) of section 513(a) shall provide for compensation by such agency of Teacher Corps members during the period of their assignment to it at the following rates:

"(1) an experienced teacher who is not leading a teaching team shall be compensated at a rate which is equal to the rate paid by such agency for a teacher with similar training and experience who has been assigned similar teaching duties;

"(2) an experienced teacher who is leading a teaching team shall be compensated at a rate agreed to by such agency and the Commissioner; and

"(3) a teacher-intern shall be compensated at a rate which is equal to the lowest rate paid by such agency for teaching full time in the school system and grade to which the intern is assigned.

"(b) For any period of training under this part the Commissioner shall pay to members of the Teacher Corps such stipends (including allowances for subsistence and other expenses for such members and their dependents) as he may determine to be consistent with prevailing practices under comparable federally supported training programs.

"(c) The Commissioner shall pay the necessary travel expenses of members of the Teacher Corps and their dependents and necessary expenses for the transportation of the household goods and personal effects of such members and their dependents, and such other necessary expenses of members as are directly related to their service in the Corps, including readjustment allowances proportionate to service.

"(d) The Commissioner is authorized to make such arrangements as may be possible, including the payment of any costs incident thereto, to protect the tenure, retirement rights, participation in a medical insurance program, and such other similar employee benefits as the Commissioner deems appro-

priate, of a member of the Teachers Corps who participates in any program under this part and who indicates his intention to return to the local educational agency or institution of higher education by which he was employed immediately prior to his service under this part.

"Application of Provisions of Federal Law

"SEC. 515. (a) Except as otherwise specifically provided in this section, a member of the Teachers Corps shall be deemed not to be a Federal employee and shall not be subject to the provisions of laws relating to Federal employment, including those relating to hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits.

"(b) (1) Such members shall, for the purposes of the administration of the Federal Employees' Compensation Act (5 U.S.C. 751 et seq.), be deemed to be civil employees of the United States within the meaning of the term 'employee' as defined in section 40 of such Act (5 U.S.C. 790) and the provisions thereof shall apply except as herein-after provided.

"(2) For purposes of this subsection:

"(A) the term 'performance of duty' in the Federal Employees' Compensation Act shall not include any act of a member of the Teacher Corps—

"(i) while on authorized leave; or

"(ii) while absent from his assigned post of duty, except while participating in an activity authorized by or under the direction or supervision of the Commissioner; and

"(B) in computing compensation benefits for disability or death under the Federal Employees' Compensation Act, the monthly pay of a member of the Teacher Corps shall be deemed to be his actual pay or that received under the entrance salary for grade 6 of the General Schedule of the Classification Act of 1949, whichever is greater.

"(c) Such members shall be deemed to be employees of the Government for the purposes of the Federal tort claims provisions of title 28, United States Code.

"Local Control Preserved

"SEC. 516. Members of the Teacher Corps shall be under the direct supervision of the appropriate officials of the local educational agencies to which they are assigned. Except as otherwise provided in clause (3) of section 513(a), such agencies shall retain the authority to—

"(1) assign such members within their systems;

"(2) make transfers within their systems;

"(3) determine the subject matter to be taught;

"(4) determine the terms and continuance of the assignment of such members within their systems.

"Maintenance of Effort

"SEC. 517. No member of the Teacher Corps shall be furnished to any local educational agency under the provisions of this part if such agency will use such member to replace any teacher who is or would otherwise be employed by such agency.

"Part C—Fellowships for teachers

"Statement of Purpose

"SEC. 521. The Congress hereby declares it to be the policy of the United States to improve the quality of education offered by the elementary and secondary schools of the Nation by improving the quality of the education of persons who are pursuing or who plan to pursue a career in elementary and secondary education. The purpose of this part is to carry out this policy by awarding fellowships for graduate study at institutions of higher education and by developing or strengthening teacher education programs in institutions of higher education. For the

purpose of this part the term 'career in elementary and secondary education' means a career of teaching in elementary or secondary schools, a career of teaching, guiding, or supervising such teachers or persons who plan to become such teachers, or a career in fields which are directly related to teaching in elementary or secondary schools, such as library science, school social work, guidance and counseling, educational media, and special education for handicapped children.

"Fellowships Authorized

"SEC. 522. (a) The Commissioner is authorized to award not to exceed four thousand five hundred fellowships for the fiscal year ending June 30, 1966, ten thousand fellowships for the fiscal year ending June 30, 1967, and ten thousand fellowships for the fiscal year ending June 30, 1968. Fellowships awarded under the provisions of this part shall be for graduate study leading to an advanced degree other than a doctor of philosophy, or equivalent degree, for persons who are pursuing or plan to pursue a career in elementary and secondary education. Such fellowships shall be awarded as provided in sections 523 and 524 of this part and for such periods as the Commissioner may determine but not to exceed twenty-four months.

"(b) In addition to the number of fellowships authorized to be awarded by subsection (a) of this section, the Commissioner is authorized to award fellowships equal to the number previously awarded during any fiscal year under this part but vacated prior to the end of the period for which they were awarded; except that each fellowship awarded under this subsection shall be for such period of study, not in excess of the remainder of the period for which the fellowship which it replaces was awarded, as the Commissioner may determine.

"Allocation of Fellowships

"SEC. 523. The Commissioner shall allocate fellowships under this part to institutions of higher education with programs approved under the provisions of section 524(a) for the use of individuals accepted into such programs, in such manner and according to such plan as will most nearly—

"(1) provide an equitable distribution of such fellowships throughout the States, except that to the extent he deems proper in the national interest after consultation with the Advisory Council on Quality Teacher Preparation the Commissioner may give preference to programs designed to meet an urgent national need, and

"(2) encourage experienced teachers in elementary or secondary schools and other experienced personnel in elementary or secondary education to enter graduate programs, attract recent college graduates to pursue a career in elementary and secondary education, and afford opportunities for college graduates engaged in other occupations or activities to pursue or return to a career in elementary and secondary education.

"Approval of Programs; Grants

"SEC. 524. (a) The Commissioner shall approve a graduate program of an institution of higher education only upon application by the institution and only upon his finding—

"(1) that such program will substantially further the objective of improving the quality of education of persons who are pursuing or intend to pursue a career in elementary and secondary education,

"(2) that such program gives emphasis to high-quality substantive courses,

"(3) that such program is of high quality and either is in effect or readily attainable, and

"(4) that only persons who demonstrate a serious intent to pursue or to continue a career in elementary and secondary educa-

tion will be accepted for study in the program.

"(b) For the purpose of obtaining an appropriate geographical distribution of high-quality programs for the training of personnel for elementary or secondary education, the Commissioner is authorized to make grants to and contracts with institutions of higher education to pay part of the cost of developing or strengthening graduate programs which meet the requirements of subsection (a).

"(c) The Commissioner may employ experts and consultants, as authorized by section 15 of the Administrative Expenses Act of 1946 (5 U.S.C. 55a), to advise him with respect to the making of grants and contracts and the approving of programs under this section, and he shall set forth in regulations the standards and priorities which will be utilized in approving such grants and contracts. Experts and consultants employed pursuant to this subsection may be compensated while so employed at rates not in excess of \$100 per diem, including travel time, and may be allowed while away from their homes or regular places of business, travel expenses (including per diem in lieu of subsistence) as authorized by section 5 of such Act (5 U.S.C. 73b-2) for persons in the Government service employed intermittently.

"Stipends

"SEC. 525. (a) The Commissioner shall pay to persons awarded fellowships under this part such stipends (including such allowances for subsistence and other expenses for such persons and their dependents) as he may determine to be consistent with prevailing practices under comparable federally supported programs.

"(b) In addition to the amounts paid to persons pursuant to subsection (a), the Commissioner shall pay to the institution of higher education at which such person is pursuing his course of study an amount equivalent to \$2,500 per academic year, less any amount charged such person for tuition and nonrefundable fees and deposits.

"Limitation

"SEC. 526. No fellowships shall be awarded under this part for study at a school or department of divinity. For the purposes of this section, the term 'school or department of divinity' means an institution or department or branch of an institution whose program is specifically for the education of students to prepare them to become ministers of religion or to enter upon some other religious vocation or to prepare them to teach theological subjects.

"Fellowship Conditions

"SEC. 527. A person awarded a fellowship under the provisions of this part shall continue to receive the payments provided in section 525(a) only during such periods as the Commissioner finds that he is maintaining satisfactory proficiency and devoting full time to study or research in the field in which such fellowship was awarded in an institution of higher education, and is not engaging in gainful employment other than such part-time employment in teaching, research, or similar activities related to his training as has been approved by the Commissioner.

"Appropriations

"SEC. 528. There are hereby authorized to be appropriated to carry out this part \$40,000,000 for the fiscal year ending June 30, 1966, \$160,000,000 for the fiscal year ending June 30, 1967, \$275,000,000 for the fiscal year ending June 30, 1968, and such sums for the two succeeding fiscal years as may be necessary to enable persons who have been awarded fellowships prior to July 1, 1968, to complete their study under the fellowships.

"TITLE VI—FINANCIAL ASSISTANCE FOR THE IMPROVEMENT OF UNDERGRADUATE INSTRUCTION

"Part A—Equipment

"Statement of Purpose and Authorization of Appropriations

"SEC. 601. (a) The purpose of this part is to improve the quality of classroom instruction in selected subject areas in institutions of higher education.

"(b) There are hereby authorized to be appropriated \$35,000,000 for the fiscal year ending June 30, 1966, \$50,000,000 for the fiscal year ending June 30, 1967, and \$60,000,000 for the fiscal year ending June 30, 1968, to enable the Commissioner to make grants to institutions of higher education pursuant to this part for the acquisition of equipment and for minor remodeling described in section 603(2) (A).

"(c) There are also authorized to be appropriated \$2,500,000 for the fiscal year ending June 30, 1966, and \$10,000,000 for the fiscal year ending June 30, 1967, and for the succeeding fiscal year, to enable the Commissioner to make grants to institutions of higher education pursuant to this part for the acquisition of television equipment and for minor remodeling described in section 603(2) (B).

"(d) There is also authorized to be appropriated a sum not exceeding \$1,000,000 for the fiscal year ending June 30, 1966, and for each of the two succeeding fiscal years, to enable the Commissioner to make grants in such amounts as he may consider necessary for the proper and efficient administration of the State plans approved under this part including expenses which he determines are necessary for the preparation of such plans.

"(e) For the fiscal year ending June 30, 1969, and for the succeeding fiscal year, there may be appropriated for the purposes set forth in subsections (b) (c), and (d) of this section, only such sums as the Congress may hereafter authorize by law.

"Allotments to States

"SEC. 602. (a) (1) Of the funds appropriated pursuant to subsections (b) and (c) of section 601 for any fiscal year one-half shall be allotted by the Commissioner among the States so that the allotment to each State will be an amount which bears the same ratio to such one-half as the number of students enrolled in institutions of higher education in such State bears to the total number of students enrolled in such institutions in all the States; and the remaining one-half shall be allotted by him among the States in accordance with paragraph (2) of this subsection. For the purposes of this subsection, (A) the number of students enrolled in institutions of higher education shall be deemed to be equal to the sum of (i) the number of full-time students and (ii) the full-time equivalent of the number of part-time students as determined by the Commissioner in accordance with regulations; and (B) determinations as to enrollment shall be made by the Commissioner on the basis of data for the most recent year for which satisfactory data with respect to such enrollment are available to him.

"(2) For the purposes of this paragraph the Commissioner shall allot to each State for each fiscal year an amount which bears the same ratio to the funds being allotted pursuant to this paragraph as the product of—

"(A) the number of students enrolled in institutions of higher education in such State, and

"(B) the State's allotment ratio, bears to the sum of the corresponding products for all the States. For the purposes of this paragraph the allotment ratio for any State shall be 1.00 less the product of (i) 0.50 and (ii) the quotient obtained by dividing the income per person for the State by the income per person for all the States (not including

Puerto Rico, the Virgin Islands, American Samoa, and Guam), except that the allotment ratio shall in no case be less than 0.33 $\frac{1}{3}$ or more than 0.66 $\frac{2}{3}$, and the allotment ratio for Puerto Rico, the Virgin Islands, American Samoa, and Guam shall be 0.66 $\frac{2}{3}$. The allotment ratios shall be promulgated by the Commissioner as soon as possible after enactment of this Act, and annually thereafter, on the basis of the average of the incomes per person of the States and of all the States for the three most recent consecutive calendar years for which satisfactory data are available from the Department of Commerce.

"(b) (1) A State's allotment under subsection (a) from funds appropriated pursuant to section 601(b) shall be available in accordance with the provisions of this part for payment of the Federal share (as determined under section 604) of the cost of equipment and minor remodeling described in section 603(2) (A).

"(2) A State's allotment under subsection (a) from funds appropriated pursuant to section 601(c) shall be available in accordance with the provisions of this part for payment of the Federal share (as determined under section 604) of the cost of television equipment and minor remodeling described in section 603(2) (B).

"(c) Sums allotted to a State for the fiscal year ending June 30, 1966, shall remain available for reservation as provided in section 606 until the close of the next fiscal year, in addition to the sums allotted to such State for such next fiscal year. Sums allotted to a State for the fiscal year ending June 30, 1967, or for any succeeding fiscal year, which are not reserved as provided in section 606 by the close of the fiscal year for which they are allotted, shall be reallocated by the Commissioner, on the basis of such factors as he determines to be equitable and reasonable, among the States which, as determined by the Commissioner, are able to use without delay any amounts so reallocated. Amounts reallocated under this subsection shall be available for reservation until the close of the fiscal year next succeeding the fiscal year for which they were originally allotted.

"State Commissions and Plans

"SEC. 603. Any State desiring to participate in the program under this part shall designate for that purpose an existing State agency which is broadly representative of the public and of institutions of higher education in the State, or, if no such State agency exists, shall establish such a State agency, and submit to the Commissioner through the agency so designated or established (hereafter in this part referred to as the 'State commission'), a State plan for such participation. The Commissioner shall approve any such plan which—

"(1) provides that it shall be administered by the State commission;

"(2) sets forth, consistently with basic criteria prescribed by regulation pursuant to section 604, objective standards and methods (A) for determining the relative priorities of eligible projects for the acquisition of laboratory and other special equipment (other than supplies consumed in use), including audiovisual materials and equipment for classrooms or audiovisual centers, and printed and published materials (other than textbooks) for classrooms or libraries, suitable for use in providing education in science, mathematics, foreign languages, history, geography, government, English, other humanities, the arts, or education at the undergraduate level in institutions of higher education, and minor remodeling of classroom or other space used for such materials or equipment; (B) for determining relative priorities of eligible projects for (i) the acquisition of television equipment for closed-circuit direct instruction in such fields in such institutions (including equipment

for fixed-service instructional television, as defined by the Federal Communications Commission, but not including broadcast transmission equipment), (ii) the acquisition of necessary instructional materials for use in such television instruction, and (iii) minor remodeling necessary for such television equipment; and (C) for determining the Federal share of the cost of each such project;

"(3) provides (A) for assigning priorities solely on the basis of such criteria, standards, and methods to eligible projects submitted to the State commission and deemed by it to be otherwise approvable under the provisions of this part; and (B) for approving and recommending to the Commissioner, in the order of such priority, applications covering such eligible projects, and for certifying to the Commissioner the Federal share, determined by the State commission under the State plan, of the cost of the project involved;

"(4) provides for affording to every applicant, which has submitted to the State commission a project, an opportunity for a fair hearing before the commission as to the priority assigned to such project or as to any other determination of the commission adversely affecting such applicant; and

"(5) provides (A) for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the State commission under this part, and (B) for the making of such reports, in such form and containing such information, as may be reasonably necessary to enable the Commissioner to perform his functions under this part.

"Basic Criteria for Determining Priorities, Federal Share, and Maintenance of Effort

"SEC. 604. (a) As soon as practicable after the enactment of this Act the Commissioner shall by regulation prescribe basic criteria to which the provisions of State plans setting forth standards and methods for determining relative priorities of eligible projects, and the application of such standards and methods to such projects under such plans, shall be subject. Such basic criteria (1) shall be such as will best tend to achieve the objectives of this part while leaving opportunity and flexibility for the development of State plan standards and methods that will best accommodate the varied needs of institutions in the several States, and (2) shall give special consideration to the financial need of the institution. Subject to the foregoing requirements, such regulations may establish additional and appropriate basic criteria, including provision for considering the degree to which applicant institutions are effectively utilizing existing facilities and equipment, provision for allowing State plans to group or provide for grouping, in a reasonable manner, facilities or institutions according to functional or educational type for priority purposes, and, in view of the national objectives of this Act, provision for considering the degree to which the institution serves students from two or more States or from outside the United States; and in no event shall an institution's readiness to admit such out-of-State students be considered as a priority factor adverse to such institution.

"(b) The Federal share for the purposes of this part shall not exceed 50 per centum of the cost of the project, except that a State commission may increase such share to not to exceed 80 per centum of such cost in the case of any institution proving insufficient resources to participate in the program under this part and inability to acquire such resources. An institution of higher education shall be eligible for a grant for a project pursuant to this part in any fiscal year only if such institution will expend during such year for the same purposes as, but not pur-

suant to, this part an amount at least equal to the amount expended by such institution for such purposes during the previous fiscal year. The Commissioner shall establish basic criteria for making determinations under this subsection.

"Applications for Grants and Conditions for Approval

"Sec. 605. (a) Institutions of higher education which desire to obtain grants under this part shall submit applications therefor at such time or times and in such manner as may be prescribed by the Commissioner, and such applications shall contain such information as may be required by or pursuant to regulation for the purpose of enabling the Commissioner to make the determinations required to be made by him under this part.

"(b) The Commissioner shall approve an application covering a project under this part and meeting the requirements prescribed pursuant to subsection (a) if—

"(1) the project has been approved and recommended by the appropriate State commission;

"(2) the State commission has certified to the Commissioner, in accordance with the State plan, the Federal share of the cost of the project, and sufficient funds to pay such Federal share are available from the applicable allotment of the State (including any applicable reallocation to the State);

"(3) the project has, pursuant to the State plan, been assigned a priority that is higher than that of all other projects within such State (chargeable to the same allotment) which meet all the requirements of this section (other than this clause) and for which Federal funds have not yet been reserved;

"(4) the Commissioner determines that the project will be undertaken in an economical manner and will not be overly elaborate or extravagant; and

"(5) the Commissioner determines that the application contains or is supported by satisfactory assurances—

"(A) that Federal funds received by the applicant will be used solely for defraying the cost of the project covered by such application,

"(B) that sufficient funds will be available to meet the non-Federal portion of such cost and to provide for the effective use of the equipment upon completion, and

"(C) that the institution will meet the maintenance of effort requirement in section 604(b).

"(b) Amendments of applications shall, except as the Commissioner may otherwise provide by or pursuant to regulation, be subject to approval in the same manner as original applications.

"Amount of Grant—Payment

"Sec. 606. Upon his approval of any application for a grant under this part, the Commissioner shall reserve from the applicable allotment (including any applicable reallocation) available therefor, the amount of such grant, which (subject to the limits of such allotment or reallocation) shall be equal to the Federal share of the cost of the project covered by such application. The Commissioner shall pay such reserved amount, in advance or by way of reimbursement, and in such installments as he may determine. The Commissioner's reservation of any amount under this section may be amended by him, either upon approval of an amendment of the application covering such project or upon revision of the estimated cost of a project with respect to which such reservation was made, and in the event of an upward revision of such estimated cost approved by him he may reserve the Federal share of the added cost only from the applicable allotment (or reallocation) available at the time of such approval.

"Administration of State Plans

"Sec. 607. (a) The Commissioner shall not finally disapprove any State plan submitted under this part, or any modification thereof, without first affording the State commission submitting the plan reasonable notice and opportunity for a hearing.

"(b) Whenever the Commissioner, after reasonable notice and opportunity for hearing to the State commission administering a State plan approved under this part, finds—

"(1) that the State plan has been so changed that it no longer complies with the provisions of section 603, or

"(2) that in the administration of the plan there is a failure to comply substantially with any such provision,

the Commissioner shall notify such State commission that the State will not be regarded as eligible to participate in the program under this part until he is satisfied that there is no longer any such failure to comply.

"Judicial Review

"Sec. 608. (a) If any State is dissatisfied with the Commissioner's final action with respect to the approval of its State plan submitted under this part or with his final action under section 607, such State may appeal to the United States court of appeals for the circuit in which such State is located. The summons and notice of appeal may be served at any place in the United States. The Commissioner shall forthwith certify and file in the court the transcript of the proceedings and the record on which he based his action.

"(b) The findings of fact by the Commissioner, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Commissioner to take further evidence, and the Commissioner may thereupon make new or modified findings of fact and may modify his previous action, and shall certify to the court the transcript and record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

"(c) The court shall have jurisdiction to affirm the action of the Commissioner or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in title 28, United States Code, section 1254.

"Limitation on Payments

"Sec. 609. No grant may be made under this part for equipment or materials to be used for sectarian instruction or religious worship, or primarily in connection with any part of the program of a school or department of divinity. For purposes of this section the term 'school or department of divinity' means an institution or a department or branch of an institution whose program is specifically for the education of students to prepare them to become ministers of religion or to enter upon some other religious vocation, or to prepare them to teach theological subjects.

"Part B—Faculty development programs

"Institutes Authorized

"Sec. 621. (a) There are authorized to be appropriated \$5,000,000 for the fiscal year ending June 30, 1966, and for each of the two succeeding fiscal years, to enable the Commissioner to arrange, through grants or contracts, with institutions of higher education for the operation by them of short-term workshops or short-term or regular-session institutes for individuals (1) who are engaged in, or preparing to engage in, the use of educational media equipment in teaching in institutions of higher education, or (2) who are, or are preparing to be, in institu-

tions of higher education, specialists in educational media or librarians or other specialists using such media.

"(b) For the fiscal year ending June 30, 1969, and for the succeeding fiscal year, there may be appropriated for the purposes of this part, only such sums as the Congress may hereafter authorize by law.

"Stipends

"Sec. 622. Each individual who attends an institute operated under the provisions of this part shall be eligible (after application therefor) to receive a stipend at the rate of \$75 per week for the period of his attendance at such institute and each such individual with one or more dependents shall receive an additional stipend at the rate of \$15 per week for each dependent. No stipends shall be paid for attendance at workshops.

"TITLE VII—AMENDMENTS TO HIGHER EDUCATION FACILITIES ACT OF 1963

"Expansion of Grant Purposes

"Sec. 701. (a) Section 106 of the Higher Education Facilities Act of 1963 is amended to read as follows:

"Eligibility for Grants

"Sec. 106. An institution of higher education shall be eligible for a grant for construction of an academic facility under this title only if such construction will, either alone or together with other construction to be undertaken within a reasonable time, (1) result in an urgently needed substantial expansion of the institution's student enrollment capacity or capacity to carry out extension and continuing education programs on the campus of such institution, or (2) in the case of a new institution of higher education, result in creating urgently needed enrollment capacity or capacity to carry out extension and continuing education programs on the campus of such institution.

"(b) The first sentence of section 101(b) of the Higher Education Facilities Act of 1963 is amended by striking out 'and each of the two succeeding fiscal years' and inserting in lieu thereof 'and for the succeeding fiscal year, and the sum of \$460,000,000 for the fiscal year ending June 30, 1966'.

"(c) The second sentence of section 201 of such Act is amended by striking out 'and the sum of \$60,000,000 each for the fiscal year ending June 30, 1965, and the succeeding fiscal year' and inserting in lieu thereof 'the sum of \$60,000,000 for the fiscal year ending June 30, 1965, and the sum of \$120,000,000 for the fiscal year ending June 30, 1966'.

"Technical amendments

"Making Section 103 Allotments Available for Section 104 Institutions Under Certain Circumstances

"Sec. 702. (a) (1) Section 103(b) of the Higher Education Facilities Act of 1963 is amended by inserting '(1)' immediately after '(b)' in such section and by adding at the end thereof:

"(2) Notwithstanding any other provisions of this title, any portion of a State's allotment under this section for a fiscal year for which applications from an institution qualified to receive grants under this section have not been received by the State Commission by January 1 of such fiscal year, shall, if the Commission so requests, be available, in accordance with the provisions of this title, for payment of the Federal share (as determined under sections 108(b) (3) and 401(d)) of the development cost of approved projects for the construction of academic facilities within such State for institutions of higher education other than public community colleges and public technical institutes.

"(2) The first sentence of section 103(c) is amended by striking out 'for providing academic facilities for public community colleges or public technical institutes' and

inserting in lieu thereof 'for the purposes set forth in subsection (b) of this section'.

"(3) Section 105(a) is amended by striking out 'hereinafter' in the matter preceding clause (1).

"(4) Clause (3) of section 105(a) is amended by inserting '(except as provided in section 103(b)(2))' after 'section 103 will be available'.

"Making Section 104 Allotments Available for Section 103 Institutions Under Certain Circumstances

"(b) (1) Section 104(b) of the Higher Education Facilities Act of 1963 is amended by inserting '(1)' immediately after '(b)' in such section and by adding at the end thereof:

"(2) Notwithstanding any other provisions of this title, any portion of a State's allotment under this section for a fiscal year for which applications from an institution qualified to receive grants under this section have not been received by the State Commission by January 1 of such fiscal year, shall, if the Commission so requests, be available, in accordance with the provisions of this title, for payment of the Federal share (as determined under sections 108(b)(3) and 401(d)) of the development cost of approved projects for the construction of academic facilities within such State for public community colleges and public technical institutes."

"(2) The first sentence of section 104(c) is amended by striking out 'for providing academic facilities for institutions of higher education other than public community colleges and public technical institutes' and inserting in lieu thereof 'for the purposes set forth in subsection (b) of this section'.

"(3) Clause (3) of section 105(a) is amended by inserting '(except as provided in section 104(b)(2))' after 'section 104 will be available'.

"Revising Federal Share for Public Community Colleges and Public Technical Institutes

"(c) (1) Section 105(a)(2) of the Higher Education Facilities Act of 1963 is amended by striking out 'other than a project for a public community college or public technical institute'.

"(2) Section 107(b) of such Act is amended (1) by striking out 'other than a project for a public community college or public technical institute', and (2) by striking out 'shall be 40 per centum' and inserting in lieu thereof 'shall in no event exceed 40 per centum'.

"(3) Section 401(d) of such Act is amended by inserting immediately before '40 per centum' the following: 'a percentage (as determined under the applicable State plan) not in excess of'.

"Three-Year Availability of Sums Appropriated Under Section 201

"(d) The last sentence of section 201 of the Higher Education Facilities Act of 1963 is amended to read as follows: 'Sums appropriated pursuant to this section for any fiscal year shall remain available for grants under this title until the end of the second succeeding fiscal year.'

"Two-Year Availability of Title III Funds

"(e) Section 303(c) of the Higher Education Facilities Act of 1963 is amended by adding at the end the following new sentence: 'Sums appropriated pursuant to this subsection for any fiscal year shall remain available for loans under this title until the end of the next succeeding fiscal year.'

"Coordination With Part A (Grants for Expansion and Improvement of Nurse Training) of Title VIII of the Public Health Service Act

"(f) Effective with respect to applications for grants and loans submitted after the date of enactment of this Act, clause (E)

of section 401(a)(2) of the Higher Education Facilities Act of 1963 is amended to read as follows: '(E) any facility used or to be used by a school of medicine, school of dentistry, school of osteopathy, school of pharmacy, school of optometry, school of podiatry, or school of public health as these terms are defined in section 724 of the Public Health Service Act, or a school of nursing as defined in section 843 of that Act.'

"Change in Interest Rate for Title III Loans

"SEC. 703. (a) Subsection (b) of section 303 of the Higher Education Facilities Act of 1963 is amended by inserting '(1)' after 'shall bear interest at', and by inserting before the period at the end thereof a comma and the following: 'or (2) the rate of 3 per centum per annum, whichever is the lesser'.

"(b) The amendment made by this section shall be applicable only with respect to loans made after the date of enactment of this Act.

"TITLE VIII—GENERAL PROVISIONS

"Definitions

"SEC. 801. As used in this Act—

"(a) The term 'institution of higher education' means an educational institution in any State which (1) admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such a certificate, (2) is legally authorized within such State to provide a program of education beyond secondary education, (3) provides an educational program for which it awards a bachelor's degree or provides not less than a two-year program which is acceptable for full credit toward such a degree, (4) is a public or other nonprofit institution, and (5) is accredited by a nationally recognized accrediting agency or association or, if not so accredited, is an institution whose credits are accepted, on transfer, by not less than three institutions which are so accredited, for credit on the same basis as if transferred from an institution so accredited. Such term also includes any business school or technical institution which meets the provisions of clauses (1), (2), (4), and (5). For purposes of this subsection, the Commissioner shall publish a list of nationally recognized accrediting agencies or associations which he determines to be reliable authority as to the quality of training offered.

"(b) The term 'State' includes, in addition to the several States of the Union, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, and the Virgin Islands.

"(c) The term 'nonprofit' as applied to a school, agency, organization, or institution means a school, agency, organization, or institution owned and operated by one or more nonprofit corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

"(d) The term 'secondary school' means a school which provides secondary education as determined under State law except that it does not include any education provided beyond grade 12.

"(e) The term 'Secretary' means the Secretary of Health, Education, and Welfare.

"(f) The term 'Commissioner' means the Commissioner of Education.

"(g) The term 'local educational agency' means a public board of education or other public authority legally constituted within a State for either administrative control or direction of, or to perform a service function for, public elementary or secondary schools in a city, county, township, school district, or other political subdivision of a State, or such combination of school districts or counties as are recognized in a State as an administrative agency for its public elementary

or secondary schools. Such term also includes any other public institution or agency having administrative control and direction of a public elementary or secondary school.

"(h) The term 'State educational agency' means the State board of education or other agency or officer primarily responsible for the State supervision of public elementary and secondary schools, or, if there is no such officer or agency, an officer or agency designated by the Governor or by State law.

"(i) The term 'elementary school' means a school which provides elementary education including education below grade 1, as determined under State law.

"Method of payment

"SEC. 802. Payments under this Act to any individual or to any State or Federal agency, institution of higher education, or any other organization, pursuant to a grant, loan, or contract, may be made in installments, and in advance or by way of reimbursement, and, in the case of grants or loans, with necessary adjustments on account of overpayments or underpayments.

"Federal administration

"SEC. 803. (a) The Commissioner is authorized to delegate any of his functions under this Act, except the making of regulations, to any officer or employee of the Office of Education.

"(b) In administering the provisions of this Act, the Commissioner is authorized to utilize the services and facilities of any agency of the Federal Government and of any other public or nonprofit agency or institution, in accordance with agreements between the Secretary and the head thereof.

"Federal control of education prohibited

"SEC. 804. (a) Nothing contained in this Act shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution, or over the selection of library resources by any educational institution.

"(b) Nothing contained in this Act or any other Act shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the membership practices or internal operations of any fraternal organization, fraternity, sorority, private club or religious organization at an institution of higher education (other than a service academy or the Coast Guard Academy) which is financed exclusively by funds derived from private sources and whose facilities are not owned by such institution."

And the Senate agree to the same.

ADAM C. POWELL,
CARL D. PERKINS,
EDITH GREEN,
JOHN BRADEMANS,
HUGH L. CAREY,
JOHN H. DENT,
SAM M. GIBBONS,
CARLTON R. SICKLES,

Managers on the Part of the House.

WAYNE MORSE,
LISTER HILL,
PAT McNAMARA,
RALPH YARBOROUGH,
JOSEPH CLARK,
JENNINGS RANDOLPH,
ROBERT KENNEDY,
WINSTON L. PROUTY,
J. K. JAVITS,
PETER H. DOMINICK,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 9567) to strengthen

the educational resources of our colleges and universities and to provide financial assistance for students in postsecondary and higher education, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report.

The Senate amendment strikes out all of the House bill after the enacting clause and inserts a substitute. The House recedes from its disagreement to the amendment of the Senate, with an amendment which is a substitute for both the House bill and the Senate amendment. The differences between the House bill and the substitute agreed to in conference are noted below except for clerical corrections, incidental changes made necessary by reason of agreements reached by the conferees, and minor drafting and clarifying changes.

TITLE I—COMMUNITY SERVICE AND CONTINUING EDUCATION PROGRAMS

Declaration of purpose

Section 101 of the House bill contained a number of congressional findings. These were that a greater involvement of institutions of higher education in the solution of problems brought about by increasing urbanization is essential to the rapid and effective solution of such problems, that an increase in the availability of educational offerings by such institutions for persons in the community is necessary in order to insure that the latest knowledge and techniques are brought to bear on urban and suburban problems, and that the strengthening of the resources of such institutions is desirable to facilitate a more effective utilization of such resources in meeting the growing needs of our urban and suburban communities. For these reasons it was declared to be the purpose of the title to provide a program of support for institutions of higher education in their establishing and maintaining community service programs designed to achieve these ends.

The Senate amendment provided that the purpose of the title is to assist the people of the United States in the solution of community problems, such as housing, poverty, government, recreation, employment, youth opportunities, transportation, health, and land use, by enabling the Commissioner to make grants and contracts under the title to strengthen continuing education and extension methods and teaching and the public service resources of colleges and universities.

The conference substitute adopts the Senate provision, except that instead of speaking of strengthening continuing education and extension methods and teaching, and the public service resources of colleges and universities it mentions strengthening the community service programs of such institutions.

Authorization of appropriations

The House bill authorized the appropriation of \$50,000,000 for fiscal year 1966 to enable the Commissioner to make grants under the title. For the 4 succeeding fiscal years there was authorized to be appropriated only such sums as the Congress may hereafter authorize by law. The Senate bill authorized \$25,000,000 for fiscal 1966, and \$50,000,000 for fiscal year 1967 and each of the 3 succeeding fiscal years.

The substitute agreed upon in conference authorizes the appropriation of \$25,000,000 for fiscal year 1966, and \$50,000,000 for each of the next 2 fiscal year. For the fiscal year 1969 and the succeeding fiscal year it provides that only such sums may be appropriated as the Congress may hereafter authorize by law.

Uses of funds

The House bill provided that the funds granted from the State's allotment must be used to provide new, expanded, or improved community service programs. "Community service program" was defined to mean an

educational program, activity, or service, including a research program, specifically designed to assist in the solution of urban or suburban problems, or an educational program, activity, or service designed to assist in the solution of community problems where the institution offering the program, activity, or service determines that the proposed program, activity, or service is not otherwise available and that the content thereof is consistent with the institution's overall educational program and is appropriate to the effective utilization of its special resources and the competencies of its faculty. Under the House bill if the educational program, activity, or service involves course offerings, they must be university extension or continuing education courses and must be acceptable toward an academic degree or of a college level, but in no event can the course be of a frivolous nature.

The Senate amendment provided that funds granted from the State's allotment must be used for extension and continuing education activities and services designed to assist, particularly through new and advanced approaches, in the solution of rural and urban community problems.

The conference substitute adopts the term "community service program" and defines it to mean an educational program, activity, or service, including a research program and a university extension or continuing education offering, designed to assist in the solution of community problems in rural, urban, or suburban areas, with particular emphasis on urban and suburban problems, but only where the institutions offering the program, activity, or service determines it is not otherwise available and that carrying it out is consistent with the institution's overall educational program, and that it is of such a nature as is appropriate to the effective utilization of the institution's special resources and competencies. Where course offerings are involved, they must be university extension or continuing education courses and either fully acceptable toward a college degree, or of college level as determined by the institution offering the course. The reference to rural, urban, and suburban areas includes rural nonfarm areas.

The requirement that an institution determine that its proposed program is not otherwise available is intended to preclude duplication of existing effort, including overlap with the Agricultural Extension Service. It is not designed to prohibit the use of funds to expand existing community service programs for which there is an unsatisfied demand.

The restriction of courses to those of college level should not be construed to exclude non-secondary-school graduates from participation in programs carried out under this title.

The omission of the prohibition against courses of a frivolous nature should in no way be interpreted as permitting courses to increase the competence of an individual in purely recreational or social activities.

Allotments to Puerto Rico

Under the House bill, the Commonwealth of Puerto Rico would be given a preliminary allotment of \$25,000, as was the case for Guam, American Samoa, and the Virgin Islands. The Senate amendment provided that the Commonwealth of Puerto Rico would receive a preliminary allotment of \$100,000. The Senate recedes.

Matching

The House bill provided that the Federal share of the cost of programs under the title would be 75 percent in the fiscal year 1966, and 50 percent in the fiscal years 1967, 1968, 1969, and 1970. The Senate bill provided that the Federal share would be 75 percent in the fiscal years 1966 and 1967, and 50 percent in the fiscal years 1968, 1969, and 1970. The conference substitute adopts the provi-

sions of the Senate amendment on this point.

Maintenance of effort

Both the House bill and the Senate amendment required that the State plan submitted under the title set forth policies and procedures designed to assure that the Federal funds made available will not supplant State or local funds or funds of institutions of higher education. The Senate amendment in addition provided that no payments could be made to any State from its allotment until the Commissioner finds that the institutions of higher education which will participate in carrying out the State plan have available during that year for expenditure from non-Federal sources for university extension and continuing education programs not less than the total amount actually expended by those institutions for such programs from non-Federal sources during the year 1965, plus an amount equal to not less than the non-Federal share of the costs with respect to which payment under the title is sought. The conference substitute includes this provision.

The Senate amendment also prohibited use of fee-related funds to meet the above requirement. This provision is dropped in the conference substitute.

Funds to cover administration of State plans

The House bill provided that no payment could be made to any State for developing and administering a State plan which exceeds 5 percent for the cost of developing and carrying out the State's plan for that year. The Senate amendment contained the same provision but added a provision to authorize the expenditure of \$25,000 in any State where that amount is greater than 5 percent of such cost. The Senate provision is retained in the conference report.

Funds for experimental approaches and supplemental grants

The Senate amendment reserved 20 percent of the sums appropriated for purposes of the title for grants and contracts for experimental projects and for supplemental grants. The House bill contained no comparable provision. The Senate recedes.

Advisory Council

The House bill provided for the establishment in the Office of Education of a National Advisory Committee on Community Service Programs to advise the Commissioner in preparing general regulations and in the administration of the program provided for in the title. The Senate amendment directed the President to appoint a National Advisory Council on Extension and Continuing Education to advise the Commissioner in the preparation of general regulations and with respect to policy matters arising in the administration of the title and also with respect to approval of State plans, and policies to eliminate duplication and effectuate coordination of programs under the title and other programs of extension or continuing education. The Council would also advise the Commissioner on approval of projects and activities under the title. The Council was required to review all federally supported extension and continuing education programs. Beginning on March 31, 1967, it would file an annual report of its findings and recommendations to the Secretary and to the President. This report would be transmitted to the Congress with the comments and recommendations of the President.

The Senate amendment also authorized the Secretary to engage such technical assistance as might be required to carry out the functions of the Advisory Council. It also authorized the Advisory Council to utilize the services and facilities of other Federal agencies.

This section of the Senate amendment is included in the conference report with only minor and conforming changes.

The House bill contained a provision, nothing comparable to which appears in the Senate amendment, under which the Secretary is required, during 1968, to appoint a Review Council on Community Service Programs to review the administration of community service programs carried out under the title and make recommendations for the improvement of that administration. The Council was to include persons knowledgeable in the field of extension and continuing education, State and local officials having special knowledge, experience, or qualification with respect to community problems, and persons representative of the public. The Secretary was also authorized to engage technical assistance. The Council would make its report to the Secretary not later than March 31, 1969. This provision is not included in the conference report.

Limitation

The Senate amendment contained a provision, not present in the House bill, prohibiting the use of funds for activities and services related to sectarian instruction or religious worship, or provided by a school or department of divinity. This provision is retained in the conference report.

TITLE II—COLLEGE LIBRARY ASSISTANCE AND LIBRARY TRAINING AND RESEARCH

Part A—College library resources

Authorization of Appropriations

The House bill authorized the appropriation of \$50,000,000 for fiscal year 1966, and only such sums as may be hereafter authorized by law for the succeeding 4 fiscal years. The Senate amendment authorized \$50,000,000 for fiscal year 1966 and each of the 4 succeeding fiscal years. The substitute agreed upon in conference authorizes the appropriation of \$50,000,000 for the fiscal year 1966 and the 2 succeeding fiscal years. It provides that for the fiscal year 1969, and the next fiscal year, only such sums may be appropriated as the Congress may hereafter authorize by law.

Basic Grants

The House bill provided basic grants to institutions of higher education for acquisition of library materials. It provided that the basic grant to an institution could not exceed \$5,000 for each institution. The comparable provision of the Senate amendment provided that the basic grant could not exceed \$5,000 for each institution of higher education and each branch of such institution which is located in a community different from that in which its parent institution is located. The conference substitute adopts the Senate version, with an amendment under which what constitutes a "branch" will be determined in accordance with regulations of the Commissioner. In permitting grants to be made to branches the conferees intend that grants be limited to branches which have college level programs for which library facilities are necessary, and that the proceeds of a grant on account of a branch be used to increase the library resources at the branch.

The Senate amendment also required the institution applying for a basic grant to provide for joint use of library facilities with other institutions where feasible. The House bill contained no comparable provision, and it is not included in the conference report. However, the managers on the part of the House expect that there will be joint use of library facilities where feasible.

Supplemental Grants

The Senate amendment provided that funds remaining after making basic grants, plus any funds not needed for special purpose grants, could be used for supplemental grants. The House bill provided for the use of funds remaining after making basic grants to make supplemental grants, but did

not permit the use of funds not needed for special grants for this purpose. It provided, instead, that funds not needed for the other types of grants be used for special purpose grants. The provision of the Senate amendment is included in the conference report. The conferees do not expect an institution to qualify for supplemental grants unless it has received basic grants in excess of \$1,500 on a matching basis.

The House bill provided that in awarding supplemental grants the Commissioner shall take into consideration the endowments and other financial resources of the institution. The Senate amendment required the Commissioner to give priority to institutions which need financial assistance for library purposes. The conference report adopts this provision of the Senate amendment.

Special Purpose Grants

Both the House bill and the Senate amendment provided for use of 25 percent of the funds appropriated to carry out the part for special purpose grants. The House bill also permitted the use of funds not needed for the other grant programs to be used for special purpose grants. The Senate amendment in contrast, provided that funds not used for special purpose grants could be used for supplemental grants.

In lieu of these provisions, the conference substitute provides that 25 percent of the sums appropriated to carry out the part for a fiscal year shall be used by the Commissioner as follows:

1. 60 percent may be used to make special purpose grants.
2. The sums not used for special purpose grants will be used in the manner prescribed for supplemental grants.

The Senate amendment specifically includes physical and social sciences as being among those eligible for special purpose grants. The House bill contained no comparable provision. The Senate recedes.

The Senate amendment provided that special purpose grants must be matched on the basis of one institutional dollar for every three Federal dollars, and required that the institution maintain its effort in this area. The House bill contained no comparable provision. The conference report adopts the substance of the Senate amendment on this point.

State Agency Consultation

The House bill required consultation by institutions of higher education with State higher education agencies where they exist. The Senate amendment contained no comparable provision. The conference substitute requires these institutions to inform periodically the State agency (if any) concerned with higher educational activities in the State of such institution's activities under the part.

Part B—Library training and research

Authorization of Appropriations

The House bill authorized the appropriation of \$15,000,000 for fiscal year 1966, and only such sums as may hereafter be authorized for the succeeding 4 years. The Senate amendment authorized the appropriation of \$7,500,000 for fiscal year 1966 and \$15,000,000 for each of the 4 succeeding fiscal years.

The conference substitute authorizes the appropriation of \$15,000,000 for fiscal year 1966, and each of the two succeeding fiscal years, for carrying out this part. For the fiscal year 1969 and the next fiscal year only such funds may be appropriated as the Congress hereafter authorizes by law.

Training Grants

The Senate amendment specifically includes training of specialists in the communication of information in the physical and social sciences as eligible training programs. The House bill did not specifically include these programs. The Senate recedes.

Research

The Senate amendment permitted research grants and contracts to individuals. The House bill did not. The Senate recedes.

The House bill permitted the Commissioner to appoint one nine-member advisory committee to assist in the administration of the program. The Senate amendment allowed the Commissioner to appoint the necessary number of technical advisory committee and panels of experts. The House provision is included in the conference report.

NDEA Library Institutes

The House bill repealed the authority for training institutes for elementary and secondary school librarians now contained in the National Defense Education Act of 1958, effective July 1, 1965. The Senate amendment contained no comparable provision. The conferees agreed to the House provision, but delayed its effectiveness until July 1, 1967. The conference committee expects that after June 30, 1967, the librarian institutes now authorized under the National Defense Education Act will be carried on under part B of title II of this act.

Part C—Cataloging

Authorization of Appropriations

The House bill authorized the appropriation of \$5,000,000 for the fiscal year 1966, and only such sums as may hereafter be authorized for the succeeding 4 fiscal years. The Senate amendment authorized the appropriation of \$5,000,000 for fiscal year 1966, \$6,315,000 for the fiscal year 1967, and \$7,770,000 for each of the 3 succeeding fiscal years. The conference substitute authorizes the appropriation of \$5,000,000 for fiscal year 1966, \$6,315,000 for fiscal year 1967, and \$7,700,000 for fiscal year 1968. For the fiscal year 1969, and the next fiscal year, only such sums may be appropriated as the Congress may hereafter authorize by law.

Purpose of Program

The Senate amendment authorized the use of funds transferred under this part for distributing bibliographic information by printing catalog cards and by other means. The House bill did not authorize the use of these funds for such purpose. The conference report includes this provision of the Senate amendment.

TITLE III—STRENGTHENING DEVELOPING INSTITUTIONS

Authorization of appropriations

The House bill authorized the appropriation of \$30,000,000 for the fiscal year 1966 to carry out the title. For the 4 succeeding fiscal years only such sums could be appropriated as the Congress may hereafter authorize by law.

The Senate amendment authorized the appropriation of \$25,000,000 for the fiscal year 1966 and each of the 4 succeeding fiscal years for carrying out the provisions of the title with respect to developing institutions which plan to award one or more bachelor's degrees during the year. It authorized \$25,000,000 for the fiscal year 1966 and each of the 4 succeeding fiscal years for carrying out the provisions of the title with respect to developing institutions which do not plan to award such degrees during the year. It authorized the appropriation of \$5,000,000 for the fiscal year 1966 and \$10,000,000 for the fiscal year 1967 and each of the 3 succeeding years for either of the foregoing purposes, or both, as determined by the Commissioner.

The substitute agreed upon in conference contains an authorization of \$55,000,000 for 1 year—the fiscal year 1966. It provides that 78 percent of the sums appropriated for the title may be used only for developing institutions which plan to award one or more bachelor's degrees during the year. The remainder may be used only for other institutions.

Qualifications of "developing institutions"

The House bill provided that for an institution to be a developing institution eligible for this program it must, among other things, (1) have been awarding bachelor's degrees for 5 years, and (2) be seriously handicapped in its efforts to improve its staff and services by lack of financial resources and a shortage of qualified professional personnel.

The Senate amendment permitted an institution of higher education (including a junior college or other 2-year institution) to be considered a "developing institution" if it met the accreditation requirements of the bill during the 2 preceding academic years.

The substitute includes the 2-year institutions within the scope of the title, but provides that all institutions must meet the accreditation requirements and must have been in existence for 5 academic years. This reflects the committee's determination that funds be used to support programs which will assist those institutions which are developing in the sense that they are unable to offer quality instruction, not simply because they are rapidly expanding.

The committee intends that the Commissioner in prescribing regulations defining the term "developing institution" will strictly adhere to the description of such institutions contained in both the House and Senate reports.

Types of programs

The Senate amendment, unlike the House bill, specifically included programs to strengthen the administration of developing institutions. The conference substitute includes this provision.

The Senate amendment permitted cooperative programs under which persons from developing institutions may receive fellowships leading to advanced degrees. No specific authority was contained in the House bill. This provision is retained in the conference report.

TITLE IV—STUDENT ASSISTANCE

Part A—Educational opportunity grants
General

The House bill and Senate amendment both include programs to provide financial assistance to enable deserving students to attend college. However, the two programs differ completely as to the manner in which this assistance would be provided. The House bill amended the student loan title of the National Defense Education Act of 1958, to provide that 25 percent of the amount authorized for student loan funds could be used to make educational opportunity grants to needy students. The Senate amendment, in contrast, did not amend the National Defense Education Act, but instead provided an independent program under which grants would be made to institutions of higher education to enable them to provide scholarships.

The substitute agreed upon in conference adopts the general structure of the Senate amendment, while retaining (as explained hereafter in detail) most of the requirements of the House bill relating to qualifications for and amounts of educational opportunity grants.

Authorization of Appropriations

The Senate amendment authorized the appropriation of \$70,000,000 for fiscal year 1966, and each of the 4 succeeding fiscal years for paying for the initial year of scholarships awarded under the program. The conference substitute authorizes the appropriation of \$70,000,000 for fiscal year 1966, and each of the next 2 fiscal years, for making payments for the initial year of educational opportunity grants (the name given these grants in the House bill and adopted in the conference report). For the fiscal year 1969, and the next fiscal year, the conference substitute permits the appropriation of only such sums as may hereafter be authorized by law.

Amount of Grant

Under the House bill the maximum educational opportunity grant which could be made to a student for any year was \$800; and in no event could the grant constitute more than one-half of the total financial aid provided the student by the institution (excluding assistance from work-study programs) and by any State or private scholarship program. Under the Senate amendment the maximum size of a scholarship for a year was \$800, but the maximum size was increased to \$1,000 in the case of a student in the upper half of his class.

The conference substitute provides that the maximum amount of an educational opportunity grant may not exceed the lesser of \$800 or one-half of the sum of the amount of student financial aid (excluding assistance from work-study programs) provided by the institution or by a State or private scholarship program. If the student is in the upper half of his class, the maximum amount will be increased \$200, if needed.

Allotments Among States

Since the House bill provided that educational opportunity grants would be made from NDEA student loan funds, the effect was to allot funds for this program on the basis of the NDEA formula. Under that formula, funds are allotted among the States on the basis of the relative number of students enrolled in institutions of higher education in the several States. The Senate amendment allotted the funds among the States, one-third as funds for NDEA student loan programs are allotted, one-third on the basis of relative numbers of secondary school graduates in the several States, and one-third on the basis of the relative number of related children under 18 years of age living in families with annual incomes of less than \$3,000.

The conference substitute provides that all the funds will be allotted according to the formula used for allotting NDEA student loan funds.

State Scholarship Funds

The Senate amendment permitted payment (with 50-percent matching and maintenance of effort) of up to 15 percent of a State's apportionment for use in the State's scholarship programs which are comparable to the Federal program. The House bill did not contain this provision, and it is not included in the agreement reached in conference.

Coordination of Student Assistance Programs

As mentioned above, under the House bill educational opportunity grants had to be supplemented by assistance under other programs. The Senate bill did not include the House provision, but did require institutions, where appropriate, to combine financial assistance under this program with assistance derived from other public and private programs. Since the House provision referred to above was retained in the conference report, the Senate provision was dropped.

Cooperative Motivational Programs

Both the House bill and the Senate amendment contained provisions requiring institutions of higher education to make vigorous efforts to identify qualified youths from low-income families and to encourage them to continue their education beyond secondary school. The provision in the Senate amendment which permitted institutions to use up to 5 percent of their grants for these activities is not included in the conference report.

Transfers to NDEA Student Loan Funds

The Senate amendment permitted an institution to transfer 25 percent of funds granted it under the part to its NDEA student loan fund. The conference report retains this provision.

Part B—Guaranteed reduced interest loans
General

The House bill and Senate amendment contained generally similar provisions for Federal, State, and private programs of low-interest insured loans to students in institutions of higher education. There were a number of technical differences between the two versions, but the conference report accepts the provisions of the House bill, except as noted below.

Moratorium for Repayment

The Senate amendment provided a moratorium on repayment of federally guaranteed loans during the time the borrower is a full-time student and for a period of not to exceed 3 years during which the borrower is a member of the Armed Forces or a volunteer in the Peace Corps. This provision is retained in the conference report.

Beginning Date for Repayments

The House bill provided that repayment cannot be required to begin before 6 months after the end of the student's educational program. The Senate amendment substituted 9 months for the 6-month figure in the House bill. The 9-month figure is adopted in the conference report.

Advisory Council on Insured Loans for Students

The Senate amendment established an Advisory Council on Insured Loans for Students to advise the Commissioner in preparation of general regulations and with respect to policy needs arising in the administration of the program. There was no comparable provision in the House bill.

The conference substitute accepts this provision with two changes, it deletes the requirement that the Council advise the Commissioner in the preparation of general regulations, and inserts a provision giving the members of the Council the usual per diem rates of pay.

Definition of "Eligible Institution"

The House bill limited the institutions which would be eligible to participate to 4-year and 2-year institutions which are accredited and provide courses acceptable for credit toward a bachelor's degree.

The Senate amendment broadened the definition of "eligible institution" to include (1) institutions which are not yet accredited but which, in the judgment of the Commissioner, will be accredited in a reasonable time; (2) collegiate and associate degree schools of nursing; and (3) other schools which provide not less than a 1-year program of training to prepare students for gainful employment in a recognized occupation. The conference substitute contains the Senate provision.

*Part C—College work-study program extension and amendment**Authorization of Appropriations*

The House bill authorized the appropriation of \$129,000,000 to carry out the part during the fiscal year 1966, and such sums as the Congress may hereafter authorize by law for the next 4 fiscal years. The Senate amendment authorized the appropriation of \$129,000,000 for fiscal year 1966, \$165,000,000 for fiscal year 1967, \$200,000,000 for fiscal year 1968, and \$235,000,000 for the fiscal year 1969 and the next fiscal year. The conference report authorizes the appropriation of \$129,000,000 for fiscal year 1966, \$165,000,000 for fiscal year 1967, and \$200,000,000 for fiscal year 1968.

Limitation on Types of Work

The Senate amendment made applicable to all work carried on under work-study programs, the requirements now applicable to off-campus work. It also adds a requirement that the work be such as would not otherwise be performed by nonstudents. The Senate provision was accepted in conference with an amendment deleting the requirement that

the work be such as would not otherwise be performed by nonstudents.

Payment of Institutional Share

The present law requires institutions to bear 10 percent of the cost of work-study programs. The Senate amendment permitted institutions to pay this share to students in the form of services and equipment furnished by the institutions. This provision is included in the conference report.

Part D—Amendments to National Defense Education Act of 1958

Conditions of Agreements; Administrative Costs

The Senate amendment contained an amendment to clause (3) of section 204 of the National Defense Education Act of 1958 (referred to as the NDEA) which required that agreements between the Commissioner and institutions participating in the loan program provide that student loan funds may be used for routine expenses (within specified limits) incurred by the institution in administering the student loan fund, and for collection costs (in addition to costs of litigation) agreed to by the Commissioner. The House bill contained no comparable provision. The conference report adopts this provision of the Senate amendment.

Technical Amendment for Part-time Students

The Senate amendment contained an amendment to section 205(b)(2) of the NDEA to authorize institutions to determine whether loans shall be repaid in equal (or if the borrower requests, in graduated periodic installments determined in accordance with schedules approved by the Commissioner) quarterly, bimonthly, or monthly installments. It also amended section 205(b)(2) to provide that repayment of principal, together with interest, is to commence 9 months after the date on which the borrower ceases to carry at least half the normal full-time academic workload, and end 10 years and 9 months after such date except that interest shall not accrue and no installment need be paid while the borrower is carrying (at an institution of higher education or comparable institution outside the States, approved for this purpose by the Commissioner) at least one-half the normal full-time academic workload, as determined by the institution. The amendments made by this provision would apply to loans outstanding on the date of enactment only with the consent of the borrower and the lending institution.

The House bill contained no comparable provision. The conference report adopts this provision of the Senate amendment.

Minimum Rate of Repayment

The Senate amendment contained an amendment to section 205(b)(2) of the NDEA to authorize institutions to require that the rate of repayment by a borrower on all title II loans extended him must be not less than \$15 per month. The amendment made by this provision would be applicable only with respect to loans made after the date of enactment.

The House bill contained no comparable provision. The conference report adopts this provision of the Senate amendment.

Cancellation of Loans for Teachers

The Senate amendment contained an amendment to section 205(b)(3) of the NDEA in three respects: First, to provide that the portion of the loans to be forgiven teachers is to be calculated as a percentage of the original total of the loans in question rather than, as the law now provides, of the amount of the loan remaining unpaid on the first day of service as a teacher; second, to provide that the prescribed portions of the loan to be forgiven shall be forgiven for each academic year "or its equivalent"; and third, to provide that the cancellation rate for

teachers shall be 15 percent for each complete academic year, or its equivalent, of service as a full-time teacher in a public or other nonprofit elementary or secondary school which is in the school district of a local educational agency eligible in such year for assistance under title II (financial assistance to local educational agencies for the education of children of low-income families) of Public Law 874, 81st Congress, and which has been determined to be a school in which there is a high concentration of students from low-income families. Such a determination may be made only with respect to 25 percent of the schools in a State. For purposes of such cancellation, an additional 50 percent of any loan (plus interest) may be canceled.

The House bill contained no comparable provision. The conference report adopts this provision of the Senate amendment, but with a limitation that no borrower may receive a refund by reason of subsequent forgiveness of amounts he has repaid.

Charges

The Senate amendment contained an amendment to section 205 of the NDEA by adding a new subsection (c) to authorize institutions to assess charges against borrowers who fail to pay all or any part of an installment when due, and against borrowers who are entitled to deferment benefits or cancellation benefits but who fail to file timely and satisfactory evidence of such entitlement. Such charges may amount to \$1 for the first month of late payment and \$2 each month thereafter, except that for bimonthly or quarterly repayment intervals, the charge may be \$3 and \$6, respectively. Institutions would be authorized to elect whether to add these charges to the principal amount of loans as of the first day after the day on which such installment or evidence was due, or to make the amount of the charge payable to the institution not later than the due date of the next installment after receipt by the borrower of notice of the assessment of the charge. The amendment would be applicable only with respect to loans made after the date of enactment.

The House bill contained no comparable provision. The conference report adopts this provision of the Senate amendment.

Economics, Civics, and Industrial Arts

The Senate amendment contained an amendment to clauses (1) and (5) of section 303(a) of the NDEA pertaining to State plans under which financial assistance is extended for strengthening instruction in science, mathematics, modern foreign languages, and other critical subjects, to include "economics" among subjects which may be included in programs by State educational agencies. This provision also authorized increased appropriations (from \$90 to \$100 million) for fiscal years 1966, 1967, and 1968 for carrying out title III of the NDEA.

In addition this provision amended section 1101 of the NDEA (authorizing short-term or regular session institutes for advanced study) to provide for the authorization of \$50 million (rather than \$32,750,000) for fiscal 1966 and for each of the 2 succeeding years. It also amended section 1101 to expand the categories of eligible support to include institutes to improve the qualification of individuals who are engaged in or preparing to engage in the teaching or the supervising or training of teachers, of economics, civics, and industrial arts.

The House bill contained no comparable provisions. The conference report adopts these provisions of the Senate amendment.

TITLE V—TEACHER PROGRAMS

Part A—General provisions

Advisory Council on Quality Teacher Preparation

The Senate amendment provided for the establishment of an Advisory Council on

Teacher Preparation in the Office of Education. The Commissioner would be Chairman of the Council, and he would appoint (with the approval of the Secretary) the 12 members of the Council. Such 12 members would include persons knowledgeable with respect to teacher preparation and the needs of urban and rural schools. The purpose of the Council would be to review the administration and operation of the programs carried out under this title and under all other Federal programs for complementary purposes.

The provision also provided for compensation of Council members who are not regular full-time employees of the United States, and allowed the Council to appoint an executive secretary and such other employees as it deemed necessary to carry out its functions under this part.

The House bill contained no comparable provisions. The conference report adopts these provisions of the Senate amendment, but changes the name of the Council to the Advisory Council on Quality Teacher Preparation.

Limitation

The Senate amendment provided that nothing contained in this title shall be construed to authorize the making of any payment under this title for religious worship or instruction. The conference report adopts this provision of the Senate amendment.

Part B—National Teacher Corps

Statement of Purpose and Authorization of Appropriations

The Senate amendment provided that it is the purpose of this part to improve the educational opportunities available to children in areas having a concentration of low-income families, and at the same time to encourage the development of broader programs of teacher preparation in colleges and universities, by attracting and training both qualified teachers and inexperienced teacher-interns who will be made available to local educational agencies in low-income areas.

The Senate amendment authorized, for the purpose of carrying out this part, the appropriation of \$36,100,000 for the fiscal year ending June 30, 1966, and \$64,715,000 for the fiscal year ending June 30, 1967, and for each of the four succeeding fiscal years.

The House bill contained no comparable provision. The conference report adopted this provision, but restricted the authorization to the first 2 years.

Establishment of National Teacher Corps

The Senate amendment provided that a National Teacher Corps, to be headed by a Director and a Deputy Director, would be established in the Office of Education in order to carry out the purposes of this part. The House bill contained no comparable provision. The conference report adopts this provision of the Senate amendment.

Teacher Corps Program

The Senate amendment authorized the Commissioner to (1) recruit, select, and enroll both experienced teachers and inexperienced teacher-interns (who have a bachelor's degree or its equivalent) in the Teacher Corps for periods of up to 2 years; (2) enter into arrangements with institutions of higher education or State or local educational agencies to provide members of the Teacher Corps with appropriate training, including a maximum of 3 months' training before undertaking their teaching duties; (3) enter into arrangements (including the payment of cost of such arrangements) with local educational agencies to furnish experienced teachers and teaching teams (consisting of one experienced teacher and a number of teacher-interns) for service during regular or summer sessions, or both, in the schools of such agencies in areas having concentrations of children from low-income families, and under which arrangements teacher-interns would be afforded time by the local

educational agency for a teacher-intern training program carried out under the guidance of the experienced teacher in cooperation with an institution of higher education; (4) pay to local educational agencies the amount of compensation which such agencies pay to members of the Teacher Corps assigned to them; and (5) employ experts and consultants or organizations thereof to assist the Commissioner in carrying out his functions under this part. The House bill contained no comparable provision. The conference report adopts this provision of the Senate amendment.

The Senate amendment provided that, wherever possible, arrangements with institutions of higher education to furnish training to teacher-interns while such interns are teaching, shall provide for training leading to a graduate degree. The House bill contained no comparable provision. The conference report adopts this provision of the Senate amendment, but omits authority for the employment of experts, consultants, or organizations.

The Senate amendment provided that when the demand for the services of Teacher Corps members exceeds the supply, the Commissioner shall, to the extent practicable, allocate those members available among the States in proportion to the number of children counted in each State for the purpose of making basic grants under title II of Public Law 874, 81st Congress, for the fiscal year for which such allocation is made. The House bill contained no comparable provision. The conference report adopts a substitute for this provision of the Senate amendment which provides that if demand for Teacher Corps members exceeds supply, the Commissioner may allot up to 2 percent of the members to Puerto Rico and the Virgin Islands. The remainder would be allotted in accordance with the Senate amendment.

The Senate amendment provided that Teacher Corps members may be utilized by a local educational agency to provide educational services available to children enrolled in private elementary and secondary schools, in the manner described in section 205(a)(2) of Public Law 874, 81st Congress. The House bill contained no comparable provision. The conference report adopts this provision of the Senate amendment.

Compensation

The Senate amendment required that an arrangement with a local educational agency must provide that Teacher Corps members must be compensated by that agency at the following rates: (1) Experienced teachers must receive pay equivalent to that received by teachers with similar training experience and duties who are employed by the local educational agency; (2) experienced teachers leading teaching teams must be compensated at a rate agreed upon by the Commissioner and the agency; and (3) teacher-interns must be compensated at the lowest rate paid by such agency for full-time teaching in the school system and grade to which the intern is assigned.

The Senate amendment authorized the Commissioner to pay stipends to Teacher Corps members while such members are in training. Such payments may include allowances for subsistence and other expenses for such members and their dependents, and are to be consistent with prevailing practices under comparable federally supported training programs.

In addition, the Senate amendment authorized the Commissioner to pay certain necessary expenses of Teacher Corps members, including travel, transportation of household goods, and readjustment allowances proportionate to service, and to arrange to protect the tenure, retirement rights, and similar employee benefits of any Teacher Corps member who wishes to return to the

local educational agency or institution of higher education by which he was employed immediately prior to his service in the Corps.

The House bill contained no comparable provisions. The conference report adopts these provisions of the Senate amendment.

Application of Provisions of Federal Law

The Senate amendment provided:

(1) A Teacher Corps member is not to be deemed a Federal employee, except as is otherwise specifically provided in this section, and is not subject to those provisions of law relating to Federal employment.

(2) Teacher Corps members shall be deemed to be Federal civil employees within the meaning of section 40 of the Federal Employees' Compensation Act (5 U.S.C. 790) for the purposes of the administration of that act, and the provisions of that act shall apply except as hereinafter provided. For purposes of this subsection the term "performance of duty" in the Federal Employees' Compensation Act shall not include any act of a member of the Teacher Corps while on authorized leave, or while absent from his assigned post of duty, except while participating in an activity authorized by the Commissioner. In computing compensation benefits for disability or death under the Federal Employees' Compensation Act, the monthly pay of a member of the Teacher Corps shall be deemed to be his actual pay or that received under the entrance salary for GS-6, whichever is greater.

(3) Members of the Teachers Corps shall be deemed to be employees of the Government for the purposes of the Federal Tort Claims Act.

The House bill contained no comparable provisions. The conference report adopts these provisions of the Senate amendment.

Local Control Preserved

The Senate amendment provided that members of the Teacher Corps would be under the direct supervision of the local educational agencies to which they are assigned, and such agencies would retain the authority to assign such members within their systems, make transfers within their systems, determine the subject matter to be taught, and determine the terms and continuance of the assignment of such members within their systems. The House bill contained no comparable provision. The conference report adopts this provision of the Senate amendment.

Maintenance of Effort

The Senate amendment provided that no member of the Teacher Corps may be used by any local educational agency to replace any teacher who is or would otherwise be employed by such agency.

The House bill contained no comparable provision. The conference report adopts this provision of the Senate amendment.

Part C—Fellowships for teachers

General

Part C of title V of the Senate amendment provided for the establishment of a program of fellowships for elementary and secondary school teachers. The House bill did not provide for a comparable program. The conference report adopts a substitute for the provisions of the Senate amendment.

Statement of Purpose

The Senate amendment provided that the purpose of this part is to provide opportunities for advanced training, particularly in substantive field areas, for teachers and personnel serving in ancillary fields. The conference substitute states that it is the purpose of this part to carry out the policy of the United States to improve elementary and secondary education by improving the quality of career elementary and secondary school personnel by awarding fellowships for graduate study at institutions of higher edu-

cation and by strengthening teacher education programs in institutions of higher education.

Fellowships Authorized

The Senate amendment authorized the award of fellowships to elementary and secondary school and postsecondary vocational school teachers for master's degrees in education, in the subject which the recipient teaches, or in certain ancillary fields. 4,500 fellowships were authorized for fiscal year 1966; 10,000 for fiscal year 1967; and 15,000 for each of the 3 succeeding years. 40 percent of the fellowships were reserved for recent graduates. The remainder were to go to teachers with at least 5 years' experience, of whom 20 percent could be teachers displaced from their employment by reason of the enforcement of the Civil Rights Act of 1964, or court orders. Between 20 and 25 percent of all fellowships were reserved for persons in fields ancillary to elementary or secondary education or to postsecondary vocational education.

The conference substitute provides for fellowships for graduate degrees, other than doctor of philosophy (or its equivalent) for persons pursuing or who plan to pursue a career of teaching in elementary or secondary schools; a career of teaching, guiding, or supervising such teachers or persons who plan to become such teachers; or a career in fields which are directly related to teaching in elementary or secondary schools. 4,500 fellowships are authorized for fiscal year 1966, and 10,000 each are authorized for fiscal years 1967 and 1968. Recipients of fellowships must study at institutions whose programs are approved under section 524. The provisions of the Senate amendment relating to the reservation of portions of the fellowships for certain categories of teachers have been dropped, but the conference committee expects that up to 20 percent of the fellowships will be awarded to persons who have been displaced in their employment as professional employees of local educational agencies as a result of changes of school populations brought about by the enforcement of the Civil Rights Act of 1964, or the carrying out of the purpose of such act.

Allocation of Fellowships

The Senate amendment provided that the Commissioner should endeavor to distribute fellowships equitably throughout the Nation, and that he should give preference in such awards to persons already serving, or intending to serve, in low-income areas.

The conference substitute provides that the Commissioner shall allocate fellowships to institutions of higher education with approved programs for the use of individuals accepted into such programs, in a manner (1) which provides an equitable distribution of such fellowships throughout the States (except that he may, after consultation with the Advisory Council on Quality Teacher Preparation, give preference to programs designed to meet an urgent national need), and (2) which encourages experienced teachers in elementary or secondary schools and other experienced personnel in elementary or secondary education to enter graduate programs, attracts recent college graduates into the field of elementary or secondary education, and affords opportunities for college graduates engaged in other occupations or activities to enter or reenter the field of elementary or secondary education.

Approval of Programs; Grants

The Senate amendment (in pt. D of title V) authorized \$5 million annually for a 5-year program of assistance, through grant or contract, to institutions of higher education for developing and strengthening graduate and high quality undergraduate teacher training programs, for the purpose of obtaining an appropriate geographical distribution of high quality programs for the

training of elementary and secondary school personnel. The Commissioner was to set forth in regulations the standards and priorities which would be utilized in approving such grants and contracts.

The Senate amendment also set out the standards which the Commissioner was to use in determining whether or not a graduate program of an institution of higher education would qualify for assistance under this part. Such a program must (1) improve the quality of teacher education, (2) give major emphasis to high-quality substantive courses, (3) either be in effect or be attainable as a result of assistance received under this part, and (4) be open only to those with a serious intent to pursue a career in education.

Section 524 of the conference substitute adopts the provisions relating to assistance to graduate programs at institutions of higher education, but integrates this program of institutional assistance with the fellowship program by permitting assistance only to institutions participating in the fellowship program. The separate money authorization for assistance to institutions is omitted.

Stipends

The Senate amendment provided that a fellowship for recent graduates carries a stipend of \$2,000 for the first academic year and \$2,200 for the second year. A fellowship for experienced teachers carried a stipend of \$4,800 for each academic year of study. An additional \$400 per year would be paid to each fellowship recipient for each of his dependents.

The Senate amendment authorized the payment of \$3,000 per academic year to the institution of higher education where a recipient of a fellowship is studying. This amount will be less any amount charged any such recipient for tuition. The Commissioner was also authorized to reimburse a fellowship recipient for necessary traveling expenses of the recipient and his dependents.

The conference substitute permits the Commissioner to pay to persons awarded fellowships such stipends (including such allowances for subsistence and other expenses for such members and their dependents) as he may determine to be consistent with prevailing practices under comparable federally supported programs. In addition, the Commissioner will pay to the institution of higher education at which such person is pursuing his course of study an amount equivalent to \$2,500 per academic year, less any amount charged such person for tuition and nonrefundable fees and deposits.

Limitation

The conference report adopts the provision of the Senate amendment which provides that no fellowship shall be awarded for study at a school or department of divinity, which means an institution or department or branch of an institution, whose program is specifically for the education of students to prepare them to enter upon some religious vocation.

Fellowship Conditions

The Senate amendment provided that a recipient must, in order to remain eligible for his fellowship payments, maintain satisfactory proficiency in, and devote essentially full time to, study or research in the field in which such fellowship was awarded, in an institution of higher education, and must not engage in gainful employment other than part-time employment which has been approved by the Commissioner.

The conference report adopts this provision with an additional requirement that part-time employment be related to the recipient's training.

Appropriations

The Senate amendment authorized the appropriation of such amounts as may be nec-

essary to carry out the provisions of this part. The conference substitute authorizes \$40,000,000 for fiscal year 1966; \$160,000,000 for fiscal year 1967; \$275,000,000 for fiscal year 1968; and such sums for the 2 succeeding fiscal years as may be necessary to enable persons who have been awarded fellowships prior to July 1, 1968, to complete their study under the fellowships.

TITLE VI—FINANCIAL ASSISTANCE FOR THE IMPROVEMENT OF UNDERGRADUATE INSTRUCTION

Part A—Equipment

Statement of Purpose and Authorization of Appropriations

The Senate amendment stated that the purpose of this part is to improve the quality of classroom instruction in selected subject areas in institutions of higher education, and authorized:

(1) The appropriation of \$35,000,000 for fiscal year 1966, \$50,000,000 for fiscal year 1967, and \$60,000,000 for fiscal years 1968, 1969 and 1970, to enable the Commissioner to make grants to institutions of higher education for the acquisition of equipment and for minor remodeling.

(2) The appropriation of \$2,500,000 for fiscal year 1966, and \$10,000,000 for fiscal years 1967, 1968, 1969, and 1970, to enable the Commissioner to make grants to institutions of higher education for the acquisition (including purchase or lease) of television equipment and for minor remodeling.

(3) The appropriation of not more than \$1,000,000 for fiscal year 1966 and for each of the 4 succeeding fiscal years, to enable the Commissioner to make grants for the proper and efficient administration of State plans approved under this part, including expenses which he determines are necessary for the preparation of such plans.

The House bill contained no comparable provisions. The conference report adopts these provisions of the Senate amendment, but limits all of the authorizations to the first 3 years. For the fiscal years 1969 and 1970 only such sums may be appropriated as Congress hereafter authorizes by law.

Allotments to States

The Senate amendment provided that of the funds appropriated for any fiscal year for acquisition of equipment, one-half shall be allotted by the Commissioner among the States on the basis of the number of students enrolled in institutions of higher education in each State. The remaining one-half would be allotted by the Commissioner among the States in accordance with a formula which would take into account the college enrollment of each State and its relative per capita income.

The Senate amendment provided that a State's allotment under the preceding paragraph would be available in accordance with the provisions of this part for payment of the Federal share of the cost of equipment and minor remodeling.

The Senate amendment also provided for reallocation of unused State allotments.

The House bill contained no comparable provision. The conference report adopts this provision of the Senate amendment.

State Commissions and Plans

The Senate amendment required a State desiring to participate under this part to designate for that purpose an existing State agency which is broadly representative of the public and of institutions of higher education in the State. If no such State agency exists, the State may establish such an agency. The agency so designated or established (hereafter referred to as the "State commission") must submit to the Commissioner a State plan for participation. The Commissioner must approve any such plan which meets the following requirements: The plan must provide that it shall be administered by the State commission. It must set forth, consistently with basic cri-

teria prescribed by regulation (A) objective standards and methods for determining the relative priorities of eligible projects for the acquisition of specified laboratory and other special equipment, including minor remodeling of classroom or other space used for such materials or equipment; (B) objective standards and methods for determining relative priorities of eligible projects for (i) the acquisition of television equipment for closed-circuit direct instruction in specified fields (but not broadcast transmission equipment), (ii) the acquisition of necessary instructional materials for use in such television instruction, and (iii) minor remodeling necessary for such television equipment; and (C) objective standards and methods for determining the Federal share of the cost of each such project.

The plan must also provide (A) for assigning priorities solely on the basis of such criteria, standards, and methods to eligible projects submitted to the State commission and deemed by it to be otherwise approvable under the provisions of this part; and (B) for approving and recommending to the Commissioner, in the order of such priority, applications covering such eligible projects, and for certifying to the Commissioner the Federal share, determined by the State commission under the State plan, of the cost of the project involved. The plan must provide for affording to every applicant, which has submitted to the State commission a project, an opportunity for a fair hearing before the commission as to the priority assigned to the project or as to any other determination of the commission adversely affecting the applicant. Finally, the plan must provide for adequate fiscal control and fund accounting procedures and for the making of such reports as may be reasonably necessary to enable the Commissioner to perform his functions under this part.

The House bill contained no comparable provision. The conference report adopts this provision of the Senate amendment.

Basic Criteria for Determining Priorities, Federal Share, and Maintenance of Effort

The Senate amendment provided that as soon as practicable after the enactment of this act, the Commissioner shall by regulation prescribe basic criteria governing the provisions of State plans setting forth standards and methods for determining relative priorities of eligible projects, and governing the application of these standards and methods to eligible projects. These basic criteria must be such as will best tend to achieve the objectives of this part while leaving adequate flexibility for the development of State plan standards and methods. The basic criteria must give special consideration to the financial need of the institution. Subject to the foregoing requirements, these regulations may establish additional and appropriate basic criteria.

The Senate amendment also provided that the Federal share for the purposes of this part would be 50 percent of the cost of the project, except that a State commission may increase this share to not more than 80 percent of that cost in the case of any institution proving insufficient resources to participate in the program under this part and inability to acquire such resources. An institution of higher education which obtains a grant for a project pursuant to this part in any fiscal year must agree to expend during that year for the same purpose an amount at least equal to the amount expended by such institution for that purpose during the previous fiscal year.

The House bill contained no comparable provision. The conference report adopts this provision of the Senate amendment, with one change which would permit the Federal share to be less than 50 percent.

Applications for Grants and Conditions for Approval

The Senate amendment provided that institutions of higher education which desire to obtain grants under this part shall submit applications at such times and in such manner as may be prescribed by the Commissioner.

The Senate amendment also provided that the Commissioner must approve an application covering a project under this part and meeting the requirements of the preceding paragraph if the following conditions have been met: (1) The project has been approved and recommended by the appropriate State commission; (2) the State commission has certified to the Commissioner the Federal share of the cost of the project, and sufficient funds to pay such Federal share are available from the applicable allotment of the State; (3) the project has been assigned a priority that is higher than that of all other projects within such State (chargeable to the same allotment) which meet all the requirements of this section and for which Federal funds have not yet been reserved; (4) the Commissioner determines that the project will be undertaken in an economical manner and will not be overly elaborate or extravagant; and (5) the Commissioner determines that the application contains or is supported by satisfactory assurances (A) that Federal funds received by the applicant will be used solely for the project covered by such application, (B) that sufficient funds will be available to meet the non-Federal portion of such cost and to provide for the effective use of the equipment upon completion, and (C) that the institution will meet the maintenance of effort requirement.

The House bill contained no comparable provision. The conference report adopts this provision of the Senate amendment.

Amount of Grant—Payment

The Senate amendment provided that upon his approval of any applications for a grant under this part, the Commissioner shall reserve from the applicable allotment the Federal share of the cost of the project covered by such application. The Commissioner's reservation of any amount under this section may later be amended by him.

The House bill contained no comparable provision. The conference report adopts this provision of the Senate amendment.

Administration of State Plans

The Senate amendment provided that the Commissioner shall not finally disapprove any State plan without first affording the State commission submitting the plan reasonable notice and opportunity for a hearing. It also provided for terminating the eligibility of a State whenever the Commissioner, after reasonable notice and opportunity for hearing to the State commission administering the State plan, finds that the State plan has been so changed that it no longer complies with the requirements for State plans, or that in the administration of the plan there is a failure to comply substantially with any such requirement.

The House bill contained no comparable provision. The conference report adopts this provision of the Senate amendment.

Judicial Review

The Senate amendment provided for judicial review if any State is dissatisfied with the Commissioner's final action with respect to the approval of its State plan submitted under this part or with his final action under the provisions relating to administration of State plans.

The House bill contained no comparable provision. The conference report adopts this provision of the Senate amendment.

Limitation on Payments

The Senate amendment provided that nothing contained in this part shall be con-

strued to authorize the making of any payment under this part for any equipment or materials for religious worship or instruction.

The House bill contained no comparable provision. The conference report adopts a substitute for this provision prohibiting grants under this part for equipment or materials for sectarian instruction or religious worship, or primarily in connection with the program of a school or department of divinity.

Part B—Faculty development programs

Institutes Authorized

The Senate amendment authorized the appropriation of \$5 million for fiscal year 1966, and for each of the 4 succeeding fiscal years to enable the Commissioner to arrange, through grants or contracts, with institutions of higher education for the operation by them of short-term workshops or short-term or regular session institutes. These workshops and institutes would be for individuals who are engaged in (or preparing to engage in) the use of educational media equipment in teaching in institutions of higher education, or who are (or are preparing to be), in institutions of higher education, specialists in educational media or librarians or other specialists using such media.

The House bill contained no comparable provision. The conference report adopts this provision of the Senate amendment, but limits the authorization to 3 years.

Stipends

The Senate amendment provided that each individual who attends an institute operated under the provisions of this part shall be eligible to receive a stipend at the rate of \$75 per week for the period of his attendance at such institute, plus an additional stipend at the rate of \$15 per week for each dependent. No stipends shall be paid for attendance at workshops. The House bill contained no comparable provision. The conference report adopts this provision of the Senate amendment.

TITLE VII—AMENDMENTS TO HIGHER EDUCATION FACILITIES ACT OF 1963

Authorization of appropriations

The House bill increased the authorization of appropriations for making grants under the Higher Education Facilities Act of 1963 for construction of undergraduate academic facilities for the fiscal year 1966 from \$230,000,000 to \$460,000,000. The Senate amendment increased the authorization to \$330,000,000. The conference substitute adopts the House figure.

The doubling of amounts for the construction of graduate academic facilities contained both in the House bill and the Senate amendment is intended to stimulate construction at all graduate schools, including those offering programs leading to a first degree in law.

Eligibility for grants

The present act provides that one of the requirements a construction project must meet for approval is that it will result in an urgently needed substantial expansion of the institution's student enrollment capacity. The Senate amendment added, as an alternative, that it could result in such an expansion of its capacity to carry out extension and continuing education programs. The provision from the Senate amendment is included in the conference report, with an amendment making clear that the expansion of capacity must be for on-campus activities. The committee wishes to emphasize that the provisions of the existing act provide that special consideration will be given to projects designed to expand undergraduate enrollment capacity and that funds may only be used for the construction of "academic facilities."

Transfers of allotments

The Senate amendment contained a provision, not present in the House bill, which permitted, at the discretion of the Governor, the transfer of allotments for public community colleges and technical institutes to other public institutions of higher education, and the transfer of allotment for 4-year institutions to public community colleges and technical institutes. The conference agreed to a substitute under which either a State's allotment under section 103 for public community colleges and public technical institutes or its allotment under section 104 for other institutions could be transferred for use under the other section if the State commission has not received an application for grants under the section in question prior to January 1 of the year, and it requests such transfer.

Period of availability of funds

The Senate amendment provided that funds appropriated to carry out title II of the Higher Education Facilities Act of 1963 would be available for 3 years, and makes funds appropriated for title III thereof available for 2 years. These provisions are included in the conference report.

Change in interest rates

The present law provides that loans for construction of academic facilities shall bear interest at a rate related to the average annual interest rate on all interest-bearing obligations of the United States forming a part of the public debt. The Senate amendment added a provision, which was retained in the conference report, under which the interest rate on such loans would not exceed 3 percent a year.

TITLE VIII—GENERAL PROVISIONS

Definitions

The Senate amendment contained definitions of the terms "local educational agency", "State educational agency", and "elementary school". These terms were used in the provisions added by the Senate amendment which relate to fellowships for teachers and the National Teacher Corps.

The conferees, in adopting the provisions of the Senate amendment relating to teacher fellowships and the Teacher Corps, also adopted these definitions, but in doing so they omitted all reference to postsecondary vocational education in the definition of local educational agency.

Federal administration

The Senate amendment contained a provision permitting the Commissioner to contract out the printing of educational matter. The Senate receded.

Federal control of education prohibited

The House bill provided that nothing contained in this act or any other act shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the membership practices or internal operations of any fraternal organization, fraternity or sorority, any private club or any religious organization of any institution of higher education.

The Senate amendment limited the application of the House provision to fraternal organizations, fraternities or sororities, private clubs or religious organizations at institutions of higher education, whose facilities were not owned by the institution of higher education and whose activities were financed by funds derived from private sources.

The conference committee agreed to a substitute for the House and Senate provisions which provides that nothing contained in this act or any other act shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over

the membership practices or internal operations of any fraternal organization, fraternity, sorority, private club or religious organization at an institution of higher education (other than a service academy or the Coast Guard Academy) which is financed exclusively by funds derived from private sources and whose facilities are not owned by such institution.

ADAM C. POWELL,
CARL D. PERKINS,
EDITH GREEN,
JOHN BRADEMANS,
HUGH L. CAREY,
JOHN H. DENT,
SAM M. GIBBONS,
CARLTON R. SICKLES,

Managers on the Part of the House.

INCREASES IN RATES OF DISABILITY COMPENSATION

Mr. TEAGUE of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 168) to amend title 38 of the United States Code to provide increases in the rates of disability compensation, and for other purposes, with Senate amendments thereto, and consider the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 3, line 9, strike out "315(a) (1)" and insert "315(1)".

Page 4, line 5, strike out "315(a) (1)" and insert "315(1)".

Page 6, strike out all after line 8 over to and including all of the table following line 10 on page 7.

Page 8, line 1, strike out "SEC. 5" and insert "SEC. 4".

Page 8, strike out lines 4 to 11, inclusive. Page 8, line 12, strike out "SEC. 7" and insert "SEC. 5".

Page 8, line 19, strike out all after "area" down to and including "Attaché" in line 21.

Page 9, strike out all beginning with line 1 over to and including 12 on page 11.

Page 11, strike out lines 13 and 14, and insert:

"SEC. 6. (a) Subsection (c) of section 5033 and paragraph (3) of section 5035(b) of title 38, United States Code, are hereby repealed; and paragraphs (4) and (5) of section 5035(b) of such title are hereby redesignated as paragraphs (3) and (4), respectively."

Page 11, strike out all after line 17 over to and including line 10 on page 12.

Page 12, after line 10, insert:

"SEC. 7. Section 503 of title 38, United States Code, is amended by inserting '(a)' after '503', and by adding at the end thereof the following:

"(b) Notwithstanding the provisions of subsection (a) of this section, in the case of any individual—

"(1) who, for the month in which the Social Security Amendments of 1965 was enacted, was entitled to a monthly insurance benefit under section 202 or 223 of the Social Security Act, and

"(2) who, for such month, was entitled to pension under the provisions of this chapter, or under the first sentence of section 9(b) of the Veterans' Pension Act of 1959,

there shall not be counted, in determining the annual income of such individual, any increase in benefits under such sections of the Social Security Act which resulted from the enactment of the Social Security Amendments of 1965."

Page 12, line 11, strike out "SEC. 11" and insert "SEC. 8".

Page 12, line 12, strike out "4, and 5" and insert "and 4".

The SPEAKER pro tempore (Mr. ALBERT). Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. TEAGUE of Texas. Mr. Speaker, I move to concur in Senate amendments 1, 2, 3, 4, and 13.

The motion was agreed to.

Mr. TEAGUE of Texas. Mr. Speaker, I move to disagree to Senate amendments 6 and 11.

Mr. ADAIR. Mr. Speaker, I rise in support of the gentleman's motion. Senate amendment No. 11, Mr. Speaker, added a section providing that the recent social security increase shall not be counted as income for veterans' pension purposes. For those veterans who were in receipt of pension on July 30, 1965, the gentleman's motion would place the House in disagreement with this Senate amendment. My first inclination, Mr. Speaker, was to support this Senate amendment because it permits approximately 30,000 persons on the Veterans' Administration pension rolls to receive the minimal increase in monthly Social Security benefits without affecting their veteran's pension. After careful analysis of the Senate amendment, the controversial atmosphere in which it is being considered, its discriminatory aspects insofar as they concern the income of pensioners who are not in receipt of social security as well as other factors compel me to reluctantly agree with the gentleman's motion.

I firmly believe, Mr. Speaker, that the receipt of this small increase in monthly social security benefits should not serve to reduce or eliminate the veteran's pension received by a veteran or a widow. Senate amendment No. 11, unfortunately, does not help the pensioner who came on the rolls after July 30, 1965. It does not help the pensioner who receives an increase in his monthly Civil Service Retirement Annuity. It does not help the pensioner who receives an increase in his private retirement income. In fact, Mr. Speaker, it helps only 30,000 of the more than 2 million pensioners on the rolls today. This is a stop-gap measure. I would prefer that we provide the relief sought for this relatively small group of pensioners through measures that will apply equitably to all pensioners.

I am particularly concerned about the plight of the widow of a war veteran who must have income of less than \$600 annually to qualify for a pension of \$64 monthly. I believe that our committee should explore the entire subject of income limitations for pensioners. In this connection, Mr. Speaker, I was pleased to learn that the gentleman from Texas, the distinguished chairman of the Committee on Veterans' Affairs, has given members of our committee his assurance that the entire subject of income limits for pensioners will be explored early in the next session.

The Nation's major veterans organizations, Mr. Speaker, have proved to be a rather accurate weathervane of the feeling of the Nation's veterans on any is-

sue. I believe it is significant that these organizations, though feeling strongly about the need for providing relief to these 30,000 pensioners, have communicated the view that they would prefer that the fate of the compensation bill not be jeopardized by Senate amendment No. 11.

The bill before us today is basically a bill that provides much needed increases in rates of compensation for the Nation's service-connected disabled and their dependents. Senate amendment No. 11 relates to non-service-connected pension. There is divided opinion in this body as to its merits. I would prefer that the measure of relief sought by this amendment for pensioners be considered separately so as not to delay the service-connected compensation increase upon which there appears unanimous agreement that it is long overdue. In view of the assurance of the gentleman from Texas that the entire subject of income limitation for pensioners will be explored early in the next session, I will not contribute to delaying the approval of compensation increases for disabled veterans. I therefore support the gentleman's motion.

Mr. DOLE. Mr. Speaker, I want to commend the gentleman from Texas [Mr. TEAGUE] and the gentleman from Indiana [Mr. ADAIR] for their promptness in bringing H.R. 168 to the floor for our action on Senate amendments thereto which were adopted in that body only last Friday. This prompt action offers tangible evidence that the gentlemen share my firm conviction that this bill authorizes a well-deserved and long overdue increase in the monthly rates of compensation payable to the Nation's service-connected disabled veterans. No segment of our population is more deserving of favorable consideration than are these warriors who shed their blood or sacrificed their health in protecting the security of this Nation. Members of this body as well as the other body have repeatedly stressed the fact that the Nation's war-disabled veterans warrant our highest priority consideration. Despite this well-meaning philosophy, the Congress has been required to vote upon social reforms, welfare programs, and increased benefits for various segments of our population. I think it is time, Mr. Speaker, that we show our high regard for the Nation's disabled veterans and their dependents. The bill before us today does just that. I am hopeful that the Senate will assign the highest priority to this measure and send the bill to the White House without further delay.

The motion was agreed to.

Mr. TEAGUE of Texas. Mr. Speaker, I move to concur in Senate amendment No. 5 with an amendment, as follows:

Restore the matter proposed to be stricken out by the Senate amendment, and on page 8, line 4, of the House engrossed bill, strike out "SEC. 6" and insert "SEC. 5".

The motion was agreed to.

Mr. TEAGUE of Texas. Mr. Speaker, I move to concur in Senate amendment No. 7 with an amendment, as follows:

In lieu of the matter proposed to be stricken by the Senate amendment, strike

DIGEST of Congressional Proceedings

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HOUSE

1. AGRICULTURAL APPROPRIATION BILL. Agreed to the conference report on this bill, H. R. 8370, and acted on amendments in disagreement. Attached is a table showing the changes agreed upon. pp. 26742-7
2. MARKETING ORDERS. Concurred in the Senate amendment to the House amendment to S. 2092, to permit marketing orders for certain fruits and vegetables to provide for paid advertising. This bill will now be sent to the President. p. 26706
3. EDUCATION. By a vote of 313 to 63, agreed to the conference report on H. R. 9567, the aid to higher education bill. pp. 26706-30
4. RIVERS-HARBORS AND FLOOD-CONTROL BILL. By a vote of 221 to 139, agreed to the conference report on this bill, S. 2300. This bill will now be sent to the President. pp. 26730-41

5. BUDGETING. Rep. Halpern spoke in favor of a Joint Committee on the Budget. p. 26762
6. FARM LABOR. Several Representatives debated the termination of the Mexican farm labor program. pp. 26763-80
7. SUGAR. Rep. Hansen, Iowa, inserted his press release defending the House sugar bill. p. 26790
8. ELECTRIFICATION; AREA DEVELOPMENT. Rep. Dent inserted a statement by Pres. Drumm of West Penn Power Co. upon receiving the "E" Service Award from Secretary Connor for area development activity. pp. 26793-4
9. INVESTIGATIONS. The Rules Committee reported with amendment H. Res. 605, authorizing the Agriculture Committee to conduct studies and investigations relating to certain matters within its jurisdiction (H. Rept. 1180). p. 26808
10. TRANSPORTATION. The Interstate and Foreign Commerce Committee reported with amendment S. 1098, to insure adequacy of the railroad freight car supply (H. Rept. 1183). p. 26808
11. SUPPLEMENTAL APPROPRIATIONS. Received from the President a 1966 supplemental request for \$500 million for the Commodity Credit Corporation (H. Doc. 307). This item was considered as a part of the Department of Agriculture and Related Agencies Appropriation Bill, 1966, rather than in the Supplemental Appropriation Bill. p. 26807

SENATE

12. SUPPLEMENTAL APPROPRIATION BILL. Passed with amendments this bill, H.R. 11588 (pp. 26584, 26587-631). No changes were made in appropriations to this Department. (For a listing of the items see Digest 195) As passed the bill also provides \$70 million to the President to carry out the Hurricane Disaster Relief Act of 1965. House and Senate conferees were appointed on the bill (pp. 26781, 26630).
13. SUGAR. Passed, 69-16, with amendments H.R. 11135, the sugar bill. Agreed to an amendment by Sen. Morse to add quotas of 422 short tons each for Honduras and Bolivia, and a technical corrective amendment by Sen. Long, La. Rejected various amendments. Senate and House conferees were appointed. pp. 26560-83, 26730
14. DISASTER RELIEF. The Public Works Committee reported without amendment H.R. 11539, to provide assistance to Fla., La., and Miss. for reconstruction of areas damaged by the recent hurricane (S. Rep. 917). p. 26542
15. FORESTRY. The Interior and Insular Affairs Committee reported without amendment H. R. 797, to establish the Whiskeytown-Shasta-Trinity National Recreation Area, Calif., (S. Rept. 922). p. 26542
16. WATER. The Agriculture Committee reported an original bill, S. 2679, to amend the Watershed Protection and Flood Prevention Act, as amended (S. Rept. 921) (p. 26542). The "Daily Digest" states that this bill is in respect to "maximum flood detention capacity of watershed project structures" (p. D1041).

The Judiciary Committee reported without amendment H. J. Res. 671, to authorize the President to proclaim November 1965 as Water Conservation Month (S. Rept. 919). p. 26542

Sen. Kennedy, N.Y., urged prompt consideration on S. 2636, to amend the Federal Water Pollution Control Act in order to make construction grants available for reimbursement of State and local funds used for certain construction. p. 26544

Sen. Moss discussed the serious "water shortage and the urgent need to increase our supplies of potable water" and inserted articles on this subject. pp. 26673-77

Sen. Boggs commended and inserted an article explaining a plan for tapping the water supply of the Susquehanna River. pp. 26684-85

17. LANDS; IRRIGATION. The Interior and Insular Affairs Committee reported without amendment S. J. Res. 33, to cancel any unpaid reimbursable construction costs of the Wind River irrigation project, Wyo., chargeable against certain non-Indian lands (S. Rept. 923). p. 26542
8. EDUCATION. Senate agreed to the conference report on H.R. 9567, the aid to higher education bill. This bill will now be sent to the President. pp. 26631-66
19. LEGAL AID. Concurred in House amendment to S. 1758, to provide for the right of persons to be represented by attorneys in matters before Federal agencies. This bill will now go to the President. p. 26666
20. MEAT INSPECTION. Received from this Department a proposed bill to clarify and otherwise amend the Meat Inspection Act; and to extend Federal meat inspection; to Agriculture and Forestry Committee. p. 26540
21. COMMODITY EXCHANGES. Received from this Department a proposed bill to amend the Commodity Exchange Act, as amended; to Agriculture and Forestry Committee. p. 26540
22. FOREIGN AID. Sen. Javits commended U. S.-Israel relations and foreign aid and inserted an article, "Analysis: A Debt Is Repaid." pp. 26584-85
23. WATERSHEDS. The Public Works Committee approved plans for works of improvement on the following watersheds: Bayou Beouf, La.; Mauch Chunk Creek, Pa.; Middle Creek, Pa.; and Oil Creek, Pa. p. 26667
24. SOIL CONSERVATION. Sen. Bass commended and inserted speech of CSC Administrator Williams, "The Soil Conservation Service At Work in Appalachia." pp. 26683-84
25. GUAM. Received a resolution from the Mariana Islands District Legislature urging Congress to amend the Organic Act of Guam and extend its boundaries to include the Northern Marianas. p. 26541
26. LEGISLATIVE ACCOMPLISHMENTS. Sen. Clark inserted an article, "Agenda for the Future," pointing out that the "staggering accomplishments" of Congress in the last 2 years have not solved all the problems of the U.S. but have "served to define new goals." pp. 26551-52
Sen. Javits inserted his yearly report on the current session of Congress and his activities during the past year. pp. 26698-702

27. REORGANIZATION. Several Senators spoke on the need and possible methods for reorganizing the Executive Branch of the Federal Government. pp. 26554-61
28. ECONOMIC INEQUITIES. Sen. Morton stated that "there are many economic inequities in this land of ours," and inserted an article on this subject mentioning poverty and the farm situation. pp. 26670-71
29. TRADE FAIRS. Sen. Bartlett reported favorably from the Commerce Committee S. 2614, to provide for U. S. participation in the exposition to be held in Alaska in 1967 (S. Rept. 928).
Sen. Lausche cited some instances in which pressure has been put on him to let up on his opposition to the Florida Inter-American Cultural and Trade Center bill. pp. 26539-40

ITEM IN APPENDIX

30. WATER RESOURCES. Rep. Erlenborn commended and inserted a newspaper article "Fear United States May Run Short of Water Needs--Rising Demands, Pollution Cited." pp. A5905-6

BILLS INTRODUCED

31. MEAT INSPECTION. S. 2678 by Sen. Ellender, to clarify and otherwise amend the Meat Inspection Act; to extend Federal meat inspection; to Agriculture and Forestry Committee.
32. EMPLOYMENT. S. 2674 by Sen. Talmadge and H.R. 11682 by Rep. Burke, to amend title VII of the Civil Rights Act of 1964 in order to make discrimination because of age in employment an unlawful employment practice; to Judiciary Committee.
H.R. 11699 by Rep. Scheuer and H.R. 11703 by Rep. Holland, to provide for specific employment policies in order to promote maximum employment, to reduce unemployment to its minimum acceptable levels, to promote an adequate rate of economic growth, and to preserve reasonable price stability; to Government Operations Committee.
33. PERSONNEL. S. J. Res. 120 by Sen. Brewster, requiring a cost-of-living survey to be made by the Bureau of Labor Statistics before the cost-of-living allowance for Federal employees in Puerto Rico and the Virgin Islands may be reduced; to Post Office and Civil Service Committee.
34. HIGHWAYS. H.R. 11685 by Rep. Cramer, to amend section 129 (b) of title 23, United States Code, relating to toll roads, bridges, and tunnels on the National Systems of Interstate and Defense Highways; to Public Works Committee.
35. EDUCATION. H.R. 11686 by Rep. Farnum and H.R. 11691 by Rep. Perkins, to provide a program of Federal assistance to elementary schools throughout the Nation to improve educational opportunities through provision for the services of child development specialists and to provide a program of Federal assistance for the training of such elementary school personnel in the institutions of higher education; to Education and Labor Committee.

House of Representatives

WEDNESDAY, OCTOBER 20, 1965

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., used this verse of Scripture: John 3: 16: *For God so loved the world that he gave His only begotten Son that whosoever believeth in Him should not perish, but have everlasting life.*

O Thou who art unchanging in Thy love and goodness, we beseech Thee for Thy companionship and counsel as we walk the ways of life which frequently seem so very dark.

May Thy spirit of peace and power descend upon our troubled souls and hearts, lifting us out of those fears which paralyze our energies into a faith which inspires us with confidence and joy.

Create within us and the Speaker and the Members of Congress those finer feelings and thoughts which are the progenitors of achievement in establishing a more stable and steadfast social order.

Give us the calm assurance that our whole universe is under the control of Thy omnipotent power and that our nobler instincts and capacities shall someday be victorious.

Hear us in the name of the Prince of Peace. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment bills of the House and a joint resolution of the following titles:

H.R. 1317. An act to provide for the free entry of a mass spectrometer which was imported during May 1963 for the use of Stanford University, Stanford, Calif.;

H.R. 1386. An act to provide for the free entry of one mass spectrometer for the use of Pomona College;

H.R. 1393. An act for the relief of Mrs. Maria Eduvigis Aran Hefferman;

H.R. 1781. An act to amend section 113(a) of title 28, United States Code, to provide that Federal District Court for the Eastern District of North Carolina shall be held at Clinton;

H.R. 2303. An act for the relief of Earnest J. Carlin;

H.R. 2565. An act to provide for the free entry of one mass spectrometer for the use of the University of Chicago;

H.R. 2578. An act for the relief of Maxie L. Rupert;

H.R. 2762. An act for the relief of Manlio Massimiliani;

H.R. 2906. An act for the relief of Mrs. Lily Ning Sheehan;

H.R. 3079. An act for the relief of Mrs. Eleni Bacola Ciacco, doctor of medicine;

H.R. 3126. An act to provide for the free entry of one mass spectrometer for the University of Washington;

H.R. 3905. An act for the relief of Bibi Daljeet Kaur;

H.R. 4832. An act to provide for the free entry of a mass spectrometer for the use of Saint Louis University;

H.R. 5006. An act for the relief of Diosdado F. Almazan;

H.R. 6312. An act for the relief of Mario Menna;

H.R. 6655. An act for the relief of Pieter Cornelis Metzelaar;

H.R. 6666. An act to provide for the free entry of a 90-centimeter split-pole magnetic spectrograph system with orange-peel internal conversion spectrometer attached for the use of the University of Pittsburgh;

H.R. 6720. An act for the relief of Ping-Kwan Fong;

H.R. 6906. An act to provide for the free entry of one mass spectrometer and one split pole spectrograph for the use of the University of Rochester, Rochester, N.Y.;

H.R. 7282. An act for the relief of Richard D. Walsh;

H.R. 7357. An act for the relief Dr. Felipe V. Lavapies;

H.R. 7453. An act for the relief of Margaret Elizabeth and Frederick Henry Todd;

H.R. 7608. An act to provide for the free entry of one automatic steady state distribution machine for the use of the University of Oklahoma, Norman, Okla.;

H.R. 8135. An act for the relief of Jennifer Rebecca Siegel;

H.R. 8232. An act to provide for the free entry of one mass spectrometer-gas chromatograph for the use of Oklahoma State University, Stillwater, Okla.;

H.R. 8272. An act to provide for the free entry of an isotope separator for the use of Princeton University, Princeton, N.J.;

H.R. 9351. An act to provide for the free entry of one shadomaster measuring projector for the use of the University of South Dakota;

H.R. 9587. An act to provide for the free entry of a Craig counter-current distribution apparatus for the use of Colorado State University, Fort Collins, Colo.;

H.R. 9588. An act to provide for the free entry of an electrically driven rotating chair for the use of the Louisiana State University Medical Center, New Orleans, La.;

H.R. 10256. An act for the relief of James D. W. Blyth, his wife, Jean Mary Blyth, and their daughter, Penelope Jean Blyth; and

H.J. Res. 571. Joint resolution to authorize the President to proclaim the week beginning October 25, 1965, as National Parkinson Week.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 2571. An act for the relief of Ralph S. DeSocio, Jr.; and

H.R. 9903. An act to provide for the free entry of one multigap magnetic spectrograph for the use of Yale University.

The message also announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following titles:

S. 516. An act to amend the joint resolution entitled "Joint resolution to establish the Saint Augustine Quadricentennial

Commission, and for other purposes", approved August 14, 1962 (76 Stat. 386), to provide that eight members of such Commission shall be appointed by the President, to provide that such Commission shall not terminate prior to December 31, 1966, and to authorize appropriations for carrying out the provisions of such joint resolution.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 9047) entitled "An act to authorize the release of certain quantities of zinc from either the national stockpile or the supplemental stockpile, or both, disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. SYMINGTON, Mr. CANNON, Mr. YOUNG of Ohio, Mr. INOUE, Mr. MILLER, and Mr. TOWER to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to bill (H.R. 10305) entitled "An act to authorize the disposal, without regard to the prescribed 6-month waiting period, of approximately 124,200,000 pounds of nickel from the national stockpile, disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. SYMINGTON, Mr. CANNON, Mr. YOUNG of Ohio, Mr. INOUE, Mr. MILLER, and Mr. TOWER to be the conferees on the part of the Senate.

The message also announced that Mr. PROUTY be appointed a conferee on the bill (S. 2118) entitled "An act to amend sections 9 and 37 of the Shipping Act, 1916, and subsection O of the Ship Mortgage Act, 1920" in place of Mr. DOMINICK, excused.

The message also announced that the Presiding Officer of the Senate, pursuant to Public Law 115, 78th Congress, entitled "An act to provide for the disposal of certain records of the U.S. Government," appointed Mr. MONRONEY and Mr. CARLSON members of the joint select committee on the part of the Senate for the disposition of executive papers referred to in the report of the Archivist of the United States numbered 66-7.

ADJUSTMENTS IN ANNUITIES UNDER THE FOREIGN SERVICE RETIREMENT AND DISABILITY SYSTEM

Mr. HAYS. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 4170) to provide for adjustments in annuities under the Foreign Service retirement and disability system, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 3, line 18, strike out all after "annuitant" down to and including "on" in line 19 and insert "prior to".

Page 3, line 21, strike out "during such period" and insert "prior to such date".

Page 3, lines 22 and 23, strike out "on October 16, 1960." and insert "at the time of such retirement."

Page 4, line 1, strike out all after "month." down to and including "date." in line 9.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

Mr. GROSS. Mr. Speaker, reserving the right to object, will the gentleman give us a brief explanation of the meaning of these amendments? Does this have to do with the bill providing for select-out procedure in the State Department and related agencies?

Mr. HAYS. Mr. Speaker, if the gentleman will yield, this is a bill which gave the Foreign Service officers who retired before October 16, 1960, when the law was changed, and who were married at that time, but made no provision for survivors' annuity, the opportunity to elect such annuity of \$2,400 provided, first, they paid back for that annuity at the rate of \$300 per year.

Mr. GROSS. I thank the gentleman from Ohio for his explanation.

Mr. Speaker, I withdraw my reservation.

[Mr. ADAIR addressed the House. His remarks will appear hereafter in the Appendix.]

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

(Mr. HAYS asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. HAYS. Mr. Speaker, as H.R. 4170 passed the House, it gave to those Foreign Service officers who retired before October 16, 1960, and who were married at that time but made no provision for a survivor annuity, the opportunity to elect such an annuity of \$2,400 provided, first, they paid back for that annuity at the rate of \$300 per year dating from October 1960, and second, paid the current cost of such annuity which is \$300 per year. Further if the annuitant died before completing his repayments, the widow and the estate were relieved of further payments. The House bill also made clear that the Secretary of State could deduct monthly repayments made by the annuitant from the annuity paid him, thus simplifying the bookkeeping of the Department.

The Senate struck all this out. The effect of the Senate amendments is to permit a Foreign Service officer who retired before October 16, 1960, and who had made no provision for a survivor annuity to make such an election for \$2,400 annuity provided he paid \$1,200 per year for the period since his retirement plus \$300 per year for the current survivor annuity. Many of these officers retired 15 or 20 years ago at low annuities which is one of the reasons they were unable at the time of retirement to provide for their widows. Now they are required under the Senate amendment to pay back sums of \$18,000 to \$24,000 or

more in order to provide \$2,400 a year for their widows. They may, of course, pay in small monthly installments. But should they die before completing the repayments, their estate is held liable for the unpaid balance. The widow would receive a \$2,400 annuity until she died.

I cannot imagine the Government proceeding against a small estate of an elderly couple whose life savings may amount only to a few thousand dollars. Certainly in these days of solicitude for our elderly citizens there must be greater sources of untapped revenue lying around. If the annuitant is wise, he will arrange his affairs so that the Government will not be able to establish any claim upon his death. There are provisions of law for compromise of claims in favor of the United States upon the recommendation of those having charge of the claims—31 U.S.C. 194. It is the expectation of those who have handled the bill in the House that this provision of law not be overlooked in settling any claim that might arise under this amended language.

There may be some confusion about the mechanics of how any repayments will be handled on the monthly installment plan provided for in the House bill. As a result of Senate amendment No. 4, this matter is left in the air. It is the understanding of the members who handled this bill in the House that the Secretary of State will now not have the authority to deduct the monthly repayments of any annuitant from his monthly retirement check.

The House is confronted with one of two choices. Either it accepts the Senate amendments which will attempt to extract every penny from many low-income annuitants or it rejects the bill in its entirety which contains some advantages for other older retired Foreign Service officers and their widows. Informal conversations lead me to believe that a conference would be a waste of time in view of the adamant attitude of the other body. I, therefore, reluctantly recommend to the House that it adopt the bill with the Senate amendments.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

ELECTION TO COMMITTEE

Mr. KING of California. Mr. Speaker, I offer a privileged resolution (H. Res. 612) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 612

Resolved, That PHILLIP BURTON, of California, be and he is hereby elected a member of the standing Committee of the House of Representatives on Education and Labor.

The resolution was agreed to.

A motion to reconsider was laid on the table.

AMENDING THE AGRICULTURAL MARKETING ACT OF 1937

Mr. DE LA GARZA. Mr. Speaker, I ask unanimous consent to take from the

Speaker's desk the bill (S. 2092) to amend the Agricultural Marketing Agreement Act of 1937 to permit marketing orders applicable to celery, sweet corn, limes, or avocados to provide for paid advertising, with Senate amendment to the House amendment thereto, and to concur in the Senate amendment to the House amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 11, of the House engrossed amendments, after "limes," insert "olives, pecans,".

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Senate amendment to the House engrossed amendments was concurred in.

A motion to reconsider was laid on the table.

CORRECTION OF ROLL CALL

Mr. CALLAN. Mr. Speaker, on roll call No. 365 on October 13, a quorum call, I am recorded as absent. I was present and answered to my name. I ask unanimous consent, that the permanent RECORD and Journal be corrected accordingly.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

CALL OF THE HOUSE

Mr. HALEY. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently, a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 373]

Andrews, George W.	Ford, William D.	Pool
Andrews, N. Dak.	Frelinghuysen	Reifel
Aspinall	Fuqua	Rivers, Alaska
Baring	Hagan, Ga.	Rivers, S.C.
Bell	Hardy	Robison
Berry	Hosmer	Roudebush
Blatnik	Leggett	Schisler
Bolling	Lennox	Senner
Callaway	Lindsay	Sisk
Casey	Love	Sullivan
Clausen, Don H.	Mackay	Talcott
Culver	Martin, Mass.	Tenzer
Davis, Wis.	Martin, Nebr.	Thomas
Diggs	Matthews	Thompson, N.J.
Dingell	May	Thompson, Tex.
Dorn	Moeller	Toll
Edwards, Ala.	Mosher	Tunney
Flynt	O'Konski	Walker, N. Mex.
	O'Neal, Ga.	Watkins
	Poage	Willis
		Wilson, Bob

The SPEAKER. On this roll call 373 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

HIGHER EDUCATION ACT OF 1965

Mr. POWELL. Mr. Speaker, I call up the conference report on the bill (H.R.

9567) to strengthen the educational resources of our colleges and universities, and to provide financial assistance for students in postsecondary and higher education, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of October 19, 1965.)

Mr. POWELL. Mr. Speaker, when I came before this House on August 27 to seek your support for the Higher Education Act of 1965, your response was overwhelmingly favorable—367 voted for passage; only 22 Members were against.

Today I bring this same bill back from conference tempered in the forge of 1 month's hard creative bargaining. Both Chambers and both sides of the aisle sought compromise with one goal in mind—the enactment this year of legislation that will revitalize the tired blood of our anemic colleges and universities and pump needy students into the all too upper class mainstream of academic life. I ask you to vote for this bill now as you already have done before.

The "care" package for higher education you will be approving contains contributions from Representatives, Senators, Republicans, and Democrats. It represents agreement by almost everybody, surrender by none. The House gave and got. Higher education in America will be the beneficiary of every change.

When Representatives prepare to engage in debate on an issue of national importance, they usually come armed with an arsenal of hard facts and stern logic, ready to meet every thrust and parry of the opposition. It is my sad duty today to report to this Chamber that my friends on the other side of the aisle are set to do intellectual battle without even knowing how properly to spell the name of the program they so vehemently attack. It is the "Teacher" Corps—not the "Teachers'" Corps.

Unfortunately for them and fortunately for us, their facts are no more accurate and their logic no more persuasive than their orthography. They have been informed by a colleague that the National Teacher Corps proposal contained in title V of the Higher Education Act would authorize \$165 million to be spent over a 3-year period. I had assumed until now that we were all present at the same conference, for the bill I appended my signature to and which will be before you for consideration authorizes \$100.2 million for 2 years. So much for reading, 'riting, and 'rithmetic.

The letter sent to all of our colleagues boasts of Republican solidarity against the Teacher Corps. It overlooked the fact that the gentleman from New York [Mr. REID] voted with us on this section of the act. It is my hope that even more Republicans will see the wisdom of this

position and avoid being carried away by shibboleths.

I had thought that when we voted the Elementary and Secondary Education Act into law on March 26 of this year that at least 263 of us no longer saw red and stampeded at the slightest mention of Federal aid to education. Seven months ago 263 of us, many Republicans included, thought it fitting to allocate funds to pay for teaching personnel in elementary and secondary schools, for inservice training for teachers, for teacher institutes. What has happened since then to make it an anathema to help provide more and better trained teachers for these very same schools in the very same low-income areas?

It is not adequate to answer by stating that it is late in the session. It is even later in these schools, all too late to save some of the children unless we try our best this week, not January or February or March.

"Wait awhile," they caution, let the dangers be eradicated. What dangers are they referring to? The danger that the Federal Government will control local teachers? If I remember correctly it was the very same gentleman from Minnesota who suggested in conference that Corps members be paid directly by the Federal Government.

But where is this monster, this Federal control? Is it in the assignment of teachers to the school districts? No; they are free to accept and reject whom they will. They can refuse to participate in the program at all if they do not desire. The Federal Government only sees to the supply of available teachers, not to any demand component. The important fact to emphasize is that no school district—and I repeat—no school district—will receive a single teacher unless that school district requests such teachers and which it will supervise and can fire at will.

Does Federal control lurk in the supervision of the teachers? Not if the bill is read carefully. The local districts have the absolute, exclusive authority to assign the teachers within their systems, to determine the subject matter they will teach, to decide how long they will keep any teacher. If the boss is the man who hires and fires, then the local district is the boss, not the Commissioner of Education.

Is this mysterious danger present in federally paid for training of teachers? Then why do the same people who condemn this proposal willingly approve Federal fellowship and institutes under the National Defense Education Act and under the same title V of this bill? Inconsistency may be the hobgoblin of many minds, but there still is something to be said for intellectual clarity.

Is there a danger in routing Federal money through local educational agencies to the teachers? That would seem to be a major device for insuring that the teachers not bite the local hand that feeds them. That is what is currently and successfully being done with the VISTA volunteers who work in public schools.

Is there a booby trap in Federal re-

cruitment of teachers? One of the needs that prompted this bill and was so starkly revealed in our hearings is the inability of many school districts to mount even the tiniest effective recruitment campaign. The teachers simply will not come to teach in tough areas as the system now functions. This program is designed to remedy this situation by relying upon one of the greatest American virtues—idealism.

We are not bribing persons to participate in the Corps by offers of fantastic salaries. They will earn in cash what their counterparts in the district in which they teach earn. But they will earn something more—a warm feeling of satisfaction in having tried to help where the need is greatest.

In line with the recognized problems posed by the Teacher Corps, I have asked the gentlewoman from Oregon, Representative EDITH GREEN, the distinguished chairman of the Special Subcommittee on Education, to maintain a continuing close scrutiny of the Teacher Corps as part of that subcommittee's investigation of the Office of Education. Hearings will begin shortly.

I want to take this opportunity to point out that we in the Education and Labor Committee are fully cognizant of the rapid changes taking place both in education in America and the Office of Education's administration of vast amounts of Federal funds. How well are these funds being administered? Is the Office of Education fulfilling its role as administrative watchdog of discriminatory practices in educational institutions receiving Federal funds? Is the Office of Education completely equipped within its administrative apparatus to shift from a comparatively unimportant agency to a major dispenser of Federal funds in American education? How professionally able and skilled are those administering the Office of Education? Does a cohesive ideological philosophy guide the Office of Education?

It is time to pause at this moment in our legislative deliberations and present to the Congress and the public a thorough and detailed picture of the operation of the Office of Education. Under Mrs. GREEN's subcommittee, this will be done.

I also want to state here today that the Senate conferees, in conference with the House for the higher education bill, agreed that it is now time for a joint Senate-House Committee on Education. Such a joint committee will be established in the next few weeks in cooperation with my distinguished and able counterparts in the Senate, Senators LISTER HILL and WAYNE MORSE.

The good qualities of this bill are manifest; its defects wildly overstated. As T. S. Eliot wrote:

Where is the wisdom we have lost in knowledge? Where is the knowledge we have lost in information?

It is time to blow away the cloud of bombast that has surrounded this proposal, to ignore their nightmarish invocations of that old bogeyman, the Federal camel in the local tent. It is time to

vote "nay" on the motion to recommit, and "aye" for final passage.

Mr. Speaker, what then does this revised bill contain? Title I, the provision encouraging institutions of learning to seek solutions for the problems faced by the communities they serve, is a perfect example of give and take. Even the name of the title has been changed to protect all parties concerned.

In fiscal year 1966 we will be authorizing \$25 million—one-half of the House's previous figure—for community service and continuing education programs designed to aid our handling of crises in such areas as housing, poverty, employment, transportation, and health. In accordance with the Senate's wishes, community problems affecting rural areas will be encompassed by the program, although particular emphasis will be placed, as the House wanted it to be, on urban and suburban problems. The term "rural" is intended to refer to small mining communities and other nonfarm sections of the United States.

If any course offerings are to be funded under title I, they must be either of college level or acceptable toward a college degree, although participants might well include persons who lack high school diplomas, if their help is necessary in solving the problems under investigation.

Under no circumstances, however, do we intend to subsidize courses of the basket-weaving variety, which serve society only by filling people's idle time. It is the intent of the conferees that no funding of agricultural or home economics courses in rural areas be permitted, but that home economics offerings in urban and suburban areas could be supported. The use of the phrase "course offerings" as an example of one form of community service program is not meant to preclude the use of title I funds for workshops, meetings, or short-term institutes held in conjunction with an institution's continuing education program nor is it designed to prohibit funding of an institution's educational television offerings.

All of this was in accordance with the original House bill, as was the agreement to delete the reservation for grants for experimental approaches proposed by the Senate and the Senate prohibition against using fee-related funds to match Federal dollars. Although no money is specifically set aside for experimentation, it is expected that many States will allocate some of their resources for novel approaches to our age-old dilemmas, including interstate cooperative efforts to handle problems that transcend State boundaries. Actually, as this title stands, it is an experiment in its entirety.

While the bill permits the use of course fees for matching purposes, none of the conferees wants the cost of the courses to be borne entirely by the participating students, many of whom can ill afford to pay substantial tuition. To serve this objective, fees should be kept as minimal as is feasible, given the offering institution's financial condition.

The conferees determined to follow the Senate version in maintaining the Federal share of the cost of these programs at 75 percent for the first 2 fiscal

years and at the same time, specifically requiring the colleges to continue their own financing of university extension and continuing education programs. To make absolutely certain that there will be no waste through duplication and that this new program will not merely be a carbon copy of the 50-year-old Agricultural Extension Service, the House conference members wholeheartedly accepted the Senate's creation of a National Advisory Council designed to coordinate all Federal extension and continuing education activities and services.

Our proposal for assistance to college libraries, library training, and research contained in title II is another excellent example of the fine art of mutual concession. Our authorizations for the purchase of library materials were identical, but both the House and the Senate versions of the act needed adjustment to assure that "the book gap" would be overcome or, at least, narrowed. To this end, the bill agreed upon would give each college in the country a basic grant of up to \$5,000 on a matching basis and, in addition thereto, a non-matching supplemental grant of up to \$10 per full-time student with the allocation accent on the financial need of the institution with respect to its library resources. A minimal institutional contribution of \$1,500 would be required as a token of good faith before the institution could qualify as a recipient of the supplemental grant.

The House conferees were willing to adopt the Senate's expansion of the category of institutional recipients of such aid to include branches located in different communities and offering college level programs which require library facilities. The distribution formula would work so as to allot 85 percent of the funds for library resources to the basic and supplemental grants, leaving 15 percent of the entire \$50 million for special purpose grants to satisfy special national and regional needs and establish and strengthen joint uses of combined library facilities. Our requirement of institutional consultation with State higher education agencies in carrying out this portion of the act was modified to a requirement of periodic informing.

The House \$15 million authorization for library training and research was accepted by the Senate. None of the research grants are to be made to individuals. The training institutes for librarians which are currently being conducted under title XI of the National Defense Education Act will be phased out under that act and revived, perhaps in a new form, under this one, after June 30, 1967. The slightly stepped up Senate authorizations for the Library of Congress cataloging endeavors in fiscal years 1967 and 1968 have been adopted, as has the Senate permission for the Library to distribute bibliographic information by printing catalog cards.

Title III, the part to strengthen developing institutions, that is, smaller, inferior colleges that have been unable to provide quality education and are plagued by chronically inadequate teaching,

course offerings, facilities, and equipment, was one of the major battlegrounds of the conference. The House had purposefully confined the operation of the title to 4-year institutions and accordingly limited the funds to \$30 million for the first year. The Senate expanded the program to include junior colleges and a \$55 million authorization.

The compromise we arrived at is intended to adhere closely to the original conception of the plan while, nonetheless, incorporating the Senate's inclusion of 2-year institutions and the Senate authorization. No institution can qualify as "developing" unless it meets the stringent standards described in the reports of both Chambers and unless it has been in existence for 5 academic years prior to its request to participate and receive assistance. It must either be accredited or making reasonable progress toward accreditation and, if a 2-year college, must have provided, for 5 academic years, a program acceptable for full credit toward a bachelor's degree. The conferees expect the Commissioner and the Advisory Council that will assist him to translate these standards into regulations that will make this title operative and effective only where there is a genuine need to upgrade the quality of instruction. In order to be certain that this title is functioning in the manner we would like it to, we have decided to review it next year before authorizing any appropriation for fiscal 1967.

Two other minor changes in this title should be noted. First, the House acquiesced in the Senate's specific inclusion of programs to strengthen the administration of developing institutions, since poor administration may prove to be a significant factor in causing their weakness. Second, we concurred in the Senate's determination that money should be available not only for scholars from the best colleges to teach at developing ones, but also for the flow of personnel to be routed in the other direction on this two-way street—for persons from developing institutions to study for advanced degrees at superior schools.

To many in the outside world who have been anxiously watching the progress of this bill through the Congress and hope, as I do, for its speedy enactment, title IV, authorizing a major multilevel program of student assistance, is the heart of this bill. It has come out of the conference essentially intact. The changes that have been made do not affect the basic tripartite structure of both the House and the Senate bills—the combination of outright grants of money with interest-subsidized, principal-guaranteed loans, and work-study earnings that will open the classroom doors to a whole new generation of young men and women who previously have been barred from going to college because their family resources were insufficient to sustain the great expense involved.

The grants will be labeled "educational opportunity grants" as we had originally called them, but they will be parceled out not under the National Defense Education Act, but through an independent program that will enable many colleges which, for various rea-

sons, including matching requirements, have been unable to join in the defense act loans, to participate now. This expansion of the program was a contribution of the Senate's as was the option provision allowing institutions to transfer 25 percent of their grant funds to their National Defense Education Act student loan fund, if they preferred to make loans rather than outright grants. The grants would be supported by an authorized appropriation of \$70 million in fiscal year 1966. This is the Senate figure.

The amount of grant that any individual could obtain would be ultimately determined in the context of his need and this not being financially able to pursue a course of study at the institution of higher education but for the grant. Within that framework, there would be a ceiling of the lesser amount of \$800 per person or one-half of the total financial aid provided the student by the institution and by State or private scholarships, excluding work-study assistance. This maximum would be upped by \$200 if the student is in the upper half of his class. With the exception of this last bonus for excellence, all of these qualifications and limitations are taken directly from the House bill.

The allotment of scholarship funds among the States would be based on the National Defense Education Act formula as suggested by the House. There would be no optional transfer of Federal grant money to State scholarship programs, which the Senate had provided. The money—up to 5 percent of the grants—the Senate authorized each institution to spend on the bill-endorsed cooperative motivational program to identify qualified youths from low-income families and to encourage them to seek a higher education was deleted. It is, however, the expectation of the conferees that the financial backing necessary for the success of this program will be indirectly obtained through the efforts of the Office of Economic Opportunity in conducting its Project Upward Bound.

Part B of title IV establishing a comprehensive program of guaranteed, reduced interest loans was essentially the same in both bills and thus remains unchanged except in minor technical details. The Senate did add an amendment calling for a moratorium on repayment of federally guaranteed loans during a 3-year period while the student is a member of the Armed Forces or a Peace Corps volunteer. We accepted this because it is comparable to the moratorium in the National Defense Education Act, section 205(b)(2). We also agreed to hold the repayment requirement off for 9 months—not 6 months—in accordance with the Senate substitute and with the identical provision in the National Vocational Student Loan Insurance Act of 1965—H.R. 7743. An Advisory Council to help the Commissioner set up the policy lines to govern the implementation of this part was added by the Senate and we receded with the understanding that, in order to make sure that the loans will be available as soon as possible, the Commissioner need

not have the regulations cleared by this Council. We further consented to the Senate's enlarging the category of institutions eligible to participate to include most nonprofit postsecondary educational institutions and to the Senate technical revisions to facilitate loans by Federal credit unions. There will be no overlap whatsoever with vocational student loans. The House specification that acceptable State and nonprofit guaranteed loan programs need only insure 80 rather than the Senate's 90 percent of unpaid principal was subscribed to by the Senate.

The work-study program contained in part C is no different than the one contained in the Economic Opportunity Act of 1965, which has already become public law. The Senate version was adopted for technical reasons. It also makes certain restrictions presently governing only off-campus work applicable to all work-study programs and permits institutions to pay their 10-percent, non-Federal share in the form of services and permit institutions to pay their 10-percent, non-Federal share in the form of services and equipment. All the conferees want to be certain that the funds for this operation be controlled by the Office of Education, not the Office of Economic Opportunity.

In the course of the hearings on this act held by Mrs. GREEN's Special Subcommittee on Education serious problems in the collection of National Defense Education Act loans were pointed out. Various methods for tackling these problems were propounded and discussed, but no amendments to this end were tacked onto the House bill. The Senate, however, did add to its title IV certain amendments carefully tailored to achieve the goals of substantially lowering the delinquency rate and enabling institutions to establish sounder collection procedures. Since these amendments would achieve the identical objectives the House subcommittee had in mind, we decided to give our assent to them in the conference report.

The amendments would allow the colleges to recoup some of their loan administration costs by giving them up to the lesser of one-half of the estimated expenses or 1 percent of the aggregate of the outstanding loans made from the fund, thus providing the colleges with an incentive to intensify their collection efforts. They would reduce the 2-year, postcollege break before the borrower had to begin paying off principal to a pause of between 10 and 12 months depending on whether monthly, bimonthly, or quarterly payments were contracted for. The accrual of interest and payment of installments would be tolled for part-time as well as full-time students. There would be a minimum monthly repayment rate on National Defense Education Act loans of \$15 per month per borrower. Colleges could charge small service fees to certain delinquent or tardy borrowers in order to spur them into timely repayment or prompt notification to the affected institution of factors changing their liability.

A major change would extend the loan forgiveness provisions to encompass

teachers who serve in a full-time capacity in a public or other nonprofit elementary or secondary school with a high concentration of students from low-income families in the school district of a local educational agency eligible for educational assistance for children of low-income families under title II of Public Law 874, 81st Congress. This would serve to entice good teachers into such needy schools, since the forgiveness or cancellation rate would amount to 15 percent of the original total of the loan per academic year, although no borrower could receive any refund by reason of subsequent forgiveness of amounts already repaid. Eligible schools in which teachers desiring to have their loans forgiven might teach would be restricted to no more than 25 percent of the schools in a State.

The Senate also felt that it was advisable to broaden subject eligibility for support for special equipment and materials under title III of NDEA to include economics. An increase in the title III authorization of \$10 million for the next 3 fiscal years would accommodate this broadening. Title XI short-term or regular session institutes for advanced study would be expanded to include institutes covering economics, civics, and industrial arts. A \$17,250,000 increase is allotted for this purpose.

Title V of the conference report is new to the bill, although by no means new to our committee. We held 5 days of hearings on H.R. 9627, the National Elementary and Secondary Teacher Opportunities Act of 1965, which contained provisions quite similar to the ones the Senate inserted in this act. H.R. 9627 was approved by a voice vote of the full Committee on Education and Labor on August 26 and sent on to the Rules Committee. It has not been heard from since.

Title V of the conference report begins by creating an Advisory Council on Quality Teacher Preparation which would review the administration and operation of all of the programs carried out under title V and all other Federal programs for complementary purposes.

A major part of this title is devoted to the National Teacher Corps, a program whose operations were fully explained in every relevant detail by my colleagues Messrs. PERKINS and BRADEN yesterday. As it now stands, it appears that this is the only controversial portion of the bill. This controversy is a tempest in a teapot. The Federal control of local education that so many Republicans allege they have ferreted out is absolutely invisible from any reasonable point of view. I am unable to see how the Commissioner of Education or any other Federal official can force any school district to take a teacher of his choosing when the law specifically states that no teacher will go into any school unless the school district concerned both requests the presence of a Teacher Corps member and agrees to accept the particular team members who will work there. I am unable to understand how the Federal Government will be able to control any Corps member's activities in a school district when the law specifically gives

the local districts the exclusive authority to assign the teachers wherever the districts choose within their systems and to determine the subject matter that will be taught. It escapes me how Washington is going to force any local school district to retain any Corps member already on the job, when the district is completely free to fire him in the same way that they fire any other teacher.

Where is this Federal hobgoblin? Where does he reside? In Federal teacher training? What are the National Defense Education Act fellowships and institutes all about, if not Federal teacher training. They have been in existence for 7 years and no one has voiced any loud objections to their continuance. Besides the training at stake here is only paid for by the Commissioner. It is to be administered by local colleges and universities. In Federal pay? There is none. Uncle Sam will not be signing a single Teacher Corps member's check. The hand that feeds him will be a local educational agency's hand.

All this much ado about nothing, about make-believe Federal control which is as real as a Halloween witch, completely ignores the excellences of this program—its attempt to attract into the teaching profession the brightest, most dedicated college graduates in this country, its effort to help the Elementary and Secondary Education Act programs get off the ground by providing experienced teachers where they are most needed and least likely to be available, its creation of a new type of on-the-job teacher training directed at teachers of the disadvantaged. It is time to be positive about the virtues of the Teachers Corps, not negative or defensive. This is a bill designed to help, not to harm.

Part C of title V is a skeleton idea contained in the Senate bill that has been fleshed out in the language set forth in H.R. 9627, sponsored by the gentleman from Indiana [Mr. BRADEMAS]. It would establish a program of 2-year fellowships for 4,500 elementary and secondary professional school personnel in fiscal year 1966, 10,000 in 1967, and 15,000 in 1968. The accent would be on high-quality substantive courses. The persons awarded fellowships would not be limited specifically to teachers but would also include persons engaged in the related professional vocations of, among others, teacher supervision and guidance, school library science, school social work, guidance and counseling, and special education for handicapped children. Up to 20 percent of the fellowships could and should be awarded to persons who have been displaced in their employment as professional employees of local educational agencies as a result of changes of school populations brought about by the enforcement of the Civil Rights Act of 1964, or the carrying out of the purpose of that act.

Equitable geographical distribution of the awards would be subordinated to any urgent national needs and to the general objectives of attracting into elementary or secondary education the cream of recent college graduates and college graduates who either left the field or have

never entered as well as of encouraging experienced personnel to undertake graduate study. Fellowship stipends would be consistent with prevailing practices under comparable federally supported programs and, in addition, the institution attended by the fellow would receive \$2,500 per fellow per academic year less any tuition or similar fee charged the fellow. Institutions who are participating in the fellowship program and want to develop and strengthen their graduate teacher training programs would receive appropriate assistance.

This concluding section of title V, while it was never part of the House bill, represents a significant accommodation on the part of the Senate to the views of the House Committee on Education and Labor.

Title VI of the bill that came out of conference provides financial assistance, amounting to some \$43½ million in this fiscal year and more in the 2 years thereafter, to improve the quality of undergraduate instruction through the use of the most modern laboratory and other special equipment, including audiovisual materials and nontextbook printed matter; \$35 million would go into these equipment grants this year and the minor remodeling necessary to utilize these devices. The sum of \$2½ million is allocated to closed-circuit television equipment and remodeling pursuant to the acquisition or lease of such equipment, and \$1 million is for the administration expenses of State plans under the title and \$5 million for educating the persons who will be employing this educational media equipment in the institutions, whether as teachers, specialists, or librarians. Institutes and workshops would be established by the institutions of higher education in order to develop the faculty equipped to handle such devices. This entire title was added by the Senate, but it was the unanimous opinion of the House conferees that it fulfilled the acute need for revising instruction methods to keep pace with the dizzying whirl of technological change.

The core of title VII amending the Higher Education Facilities Act of 1963 is the amount of authorization for the construction of undergraduate academic facilities during the fiscal year 1966. The Senate agreed to accept our doubling of funds from \$230 to \$460 million and thereby recognized the burgeoning demand in this area for more and more aid. Bricks and mortar do not make a college, but without vital facilities no college can sustain high caliber education.

The House conferees were willing to adopt various Senate amendments to the 1963 act with certain House modifications. An alternative use of construction funds to finance a project that would result in the expansion of an institution's capacity to carry out extension and continuing education programs was subscribed to, with the understanding that such expansion would be strictly for on-campus activities and that special consideration would be given to projects design to expand undergraduate enrollment capacity. Transfers of allotments from public community colleges and

technical institutes to 4-year institutions, and vice versa, at the discretion of the State commission administering the State plan, was approved on the condition that the transfer be made only if the State commission had grant funds but no applicants in the relevant class as of January 1 of a given year. Another Senate amendment would permit funds appropriated for graduate facility grants and academic facility loans to remain available for 3 and 2 fiscal years, respectively, to enhance the prospects of fund raising. Finally, the interest rate on loans for classrooms, libraries, and laboratories would be reduced from 3½ to 3 percent to conform to the rate currently charged on college housing loans and prevent the anomaly of the facilities floor of a building being built at 3½ percent, while the dormitories cost 3 percent in interest.

The final section of the bill, section 804, merely retains the thrust of the Waggoner amendment which I accepted on the floor in August—the prohibition against any Federal official's withholding funds under this or any other bill from an institution of higher education simply because a privately financed fraternity or sorority composed of students from that institution engaged in discriminatory practices. The section from the original bill has been reorganized to avoid the unintended result of nullifying any application of title VI of the Civil Rights Act of 1964 to institutions of higher education and the Senate restrictive language employed to make certain that the fraternities or sororities involved really are private within the meaning of the 14th amendment and do not subsist on handouts from the institution in the form of cheap or no cost facilities.

The overall pattern of the bill as it has emerged from conference is thus quite mixed. The House adopted with alacrity those portions of the Senate bill which sought to service legitimate needs the House had inadvertently overlooked. By the same token, the House conferees steadfastly maintained their position on parts of the bill that the House, not the administration, had written. The result is a better bill in almost every way. Its duration is generally 3 years with the exception of the 1-year authorization of title III on developing institutions and the 2-year authorization for the Teacher Corps. Its cost for the first year, fiscal 1966, if the full authorizations are totaled, is somewhere in the neighborhood of \$851 million. Its real value to the colleges and universities of these United States is incalculable.

Mr. GRIFFIN. Mr. Speaker, will the gentleman yield?

Mr. POWELL. I yield to the gentleman.

Mr. GRIFFIN. With reference to the Washington Post, the gentleman has indicated that the Post was inaccurate yesterday. I should like to point out that it was not wholly accurate in its editorial today because, as the distinguished chairman of the Committee on Education and Labor has indicated, the Post editorial this morning says that teachers in the Teachers Corps would be paid by

the local districts. They may get their checks from the local districts, but I am sure the chairman of the Committee on Education and Labor will agree with me that the money will come from the Federal Government. Is that correct?

Mr. POWELL. I agree 100 percent with the distinguished gentleman from Michigan, a very valuable member of our committee. But that money goes to the local school district. The money paid to the teacher does not come from the Federal Government, and the local school district has the power to pay or not to pay—to hire and to fire. That is the way I believe education should be operated in this Nation. I do not believe in Federal control.

Mr. WAGGONNER. Mr. Speaker, will the gentleman yield?

Mr. POWELL. I yield to my beloved friend, the gentleman from Louisiana [Mr. WAGGONNER].

Mr. WAGGONNER. I thank the gentleman for yielding to me. Section 804 of the Higher Education Act, which is the section having to do with Federal control of education and the prohibitions contained in the act, was amended on the floor of the House during the consideration of the legislation. The chairman of the Committee on Education and Labor, the gentleman from New York [Mr. POWELL], accepted an amendment which I offered at that time, calling attention to the fact then that he was the author on many occasions of the Powell amendment which I agree attempted to erase discrimination and made an honest effort to give protection to bona fide private organizations. The distinguished gentleman has made it abundantly clear that he never intended to penalize institutions because of the internal policies of bona fide private organizations.

The language in the conference report has been modified somewhat as compared to House language, inasmuch as the Senate adopted a little bit different version from that which the House adopted. In an effort to make legislative history and to clarify the subject in my own thinking, I should like to ask a couple of questions.

It is my understanding that under the amended language of the conference report, of section 804(b), privately owned facilities on long-term leased land would be exempt from any Federal supervision. Also, it is the intention of this language to prevent the subsidy of these organizations with public funds. Am I correct?

Mr. POWELL. The gentleman is absolutely correct.

Mr. WAGGONNER. Then, to further prohibit the subsidy of these organizations, with public funds, a fair service and/or rental charge must be charged any organization which might use public facilities. Am I correct?

Mr. POWELL. Absolutely correct.

Mr. WAGGONNER. I thank the gentleman for yielding and for his clarification.

Mr. POWELL. I should like to read from page 55 of the conference report the amended language of the Higher

Education Act of 1965 as it came out of the conference:

(b) Nothing contained in this Act or any other Act shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the membership practices or internal operations of any fraternal organization, fraternity, sorority, private club or religious organization at an institution of higher education (other than a service academy or the Coast Guard Academy) which is financed exclusively by funds derived from private sources and whose facilities are not owned by such institution.

Mr. WAGGONNER. Mr. Speaker, will the gentleman from New York yield further?

Mr. POWELL. I yield to the gentleman from Louisiana.

Mr. WAGGONNER. When we talk about being financed exclusively through funds derived from private sources, we are talking about these organizations referred to rather than the institutions, are we not?

Mr. POWELL. Absolutely correct, yes.

Mr. WAGGONNER. I think the language as amended is perfectly fair, and I thank the gentleman.

CALL OF THE HOUSE

Mr. HALL. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore (Mr. PRICE). Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 374]

Andrews,	Frelinghuysen	Resnick
George W.	Fuqua	Rivers, S.C.
Andrews,	Hagan, Ga.	Robison
N. Dak.	Hosmer	Roudebush
Aspinall	Kastenmeier	Schisler
Baring	Keogh	Sisk
Bell	Leggett	Sullivan
Berry	Lennon	Talcott
Bolling	Lindsay	Tenzer
Callaway	Mackay	Thomas
Casey	Mailliard	Thompson, N.J.
Clausen,	Martin, Mass.	Thompson, Tex.
Don H.	Martin, Nebr.	Toll
Culver	Matthews	Tunney
Davis, Wis.	May	Walker, N. Mex.
Diggs	Mosher	Watkins
Dingell	O'Hara, Mich.	Willis
Dorn	O'Konski	Wilson, Bob
Edwards, Ala.	O'Neal, Ga.	
Flynt	Poage	
Ford,	Pool	
William D.	Reifel	

The SPEAKER pro tempore. (Mr. PRICE). On this rollcall 373 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

COMMITTEE ON RULES

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

HIGHER EDUCATION ACT OF 1965

Mr. POWELL. Mr. Speaker, I yield 30 minutes of my time to the gentleman from Ohio [Mr. AYRES].

Mr. AYRES. Mr. Speaker, first I would like to commend the chairman of the Committee on Education and Labor, the gentleman from New York [Mr. POWELL]. In the years I have been on the committee more legislation has been passed out of that committee during this first session of the Congress than in any other session it has been my privilege to serve on the committee. Just what the effect of this legislation will be, of course, remains to be seen.

When we talk in the Congress about how many bills have been passed, oftentimes we neglect to mention the cost that goes along with the passage of these bills. Also just the enactment of legislation, although it sounds good on the surface, does not necessarily mean it is going to be proven to be good legislation.

As you all know, Mr. Speaker, we have passed out the antipoverty bill with an authorization of approximately \$1,700 million. Already it has become apparent that this program is having many, many growing pains. In fact a special subcommittee of the Committee on Education and Labor is currently conducting a very thorough investigation of this program.

You will also recall, Mr. Speaker, that when that program passed the House there was a limited Governor's veto provision in connection with the bill. We went to conference and the House provisions were not included in the final legislation.

Now in the bill we have before us today, we are confronted, at least many of us are, with the identical position we were in on the conference report on the poverty bill. The House has not considered the so-called Teacher Corps. This was not in the House-passed bill. It was incorporated in the Senate bill. During the course of the conference, the Senate provision prevailed. The conference report that comes back to us today has the Teacher Corps provision in it.

In view of the fact that the House has not considered this and also in view of the fact that it has no direct connection with higher education, many of us feel that the Teacher Corps provision should be considered later on its own merits.

When the poverty bill came back in the conference report, a motion was made to send the conference report back to conference with the instruction that the House provision on the Governor's veto be incorporated. At that time it was argued that if the conference report was recommitted, it might possibly delay at least or perhaps kill the poverty program. Of course, we all know that was not the case. Now we hear the same rumors going around that if the motion to be offered by the gentleman from Minnesota [Mr. QUIE] to send the higher education bill back to conference and delete the Teacher Corps provision prevails, it will kill the higher education bill. This is not the case. The conferees are still all in town. The con-

ferrees can be called together and whatever the majority of that conference decides, that will be what will come back to the House. That can be done if necessary in a matter of hours.

Regardless of how you feel on the Teacher Corps provision, I think we would all have to agree that this proposal should be considered on its own merits. That can be done and I am quite certain that our able chairman of the Committee on Education and Labor will see that that is done in the next session of the Congress.

The gentleman from Minnesota [Mr. QUIE] will discuss the pros and cons of the Teacher Corps. The only thing I want to make clear, Mr. Speaker, is that if Mr. QUIE's motion prevails and the conference report is sent back to conference, with the instructions by a majority of the House membership that the Teacher Corps be deleted, this in no way jeopardizes the passage of the higher education bill in this session of the Congress. In fact, I will do my very best as the ranking member of the Committee on Education and Labor and as a member of the conference to see that the bill is brought back as quickly as possible and certainly before the Congress adjourns.

Mr. Speaker, I think we are making a very grave mistake when we base the passage of legislation keyed to our anxiety to adjourn.

If this provision is bad, it should not be included; if it is good, it should be. But, either way, our position should not be based on the fact that we would all like to see this Congress adjourn.

I repeat. Adoption of Congressman QUIE's motion would not jeopardize final passage of the higher education bill in this session of the Congress.

Mr. Speaker, on the seventh day, even the Lord sought rest.

Surely this Congress, as it nears its temporary sabbatical, shows signs of looking before it leaps, of pausing for the refreshment of contemplation, and of giving public affairs the benefit of a second thought. Whether this attitude is the result of weariness or wariness, it is long overdue.

We have enacted a flood of legislation dealing with education. If Federal law and billions of Federal dollars, plus the inevitable meddling and muddling of additional thousands of Federal bureaucrats, can solve all educational problems, the new age of enlightenment looms ahead. Only the worst pessimist would raise nagging problems. I hope my colleagues will pardon me for a few moments of pessimism.

We have now authorized far in excess of \$50 million a year for educational research. Now, where do we find the researchers—notoriously in short supply—who can make a really profound, first-class contribution to basic knowledge about how people learn? A pessimist might suggest that we will end up paying for a good deal of third-class drivel.

We have now authorized thousands of additional Federal fellowships for graduate study, to add to the 50,000 or so graduate students already supported by Federal funds. Unfortunately, the ad-

ditional fellowships do not solve the very difficult problem of the acute shortage of first-rate people to initiate, expand, and conduct graduate programs in our universities. If anything, it makes the problem even more acute, which again raises the question of whether by such quantity we do not seriously dilute quality.

In our Elementary Secondary School Act we authorized \$100 million a year for supplementary education centers, but I do not think any of us have the faintest notion of where the experienced teachers and counselors are to be found for these centers in the face of a shortage of these people. I might add that the poverty program, with its unlimited expense account and fat salaries, is in heavy competition for the same people needed in our schools, particularly our vocational schools.

Once again, without much thought given to the problems, we are asked to approve a huge Federal Teacher Corps, composed in large part of experienced teachers who are in short supply. May I ask, Mr. Speaker, "Where are the teachers coming from?"

The question answers itself. They are coming from classrooms which will then have to be handled by a replacement, if one can be found. Experienced teachers already have jobs. In effect, the Federal Government proposes to remove a large number of them from the classrooms where they now teach and redistribute them in other classrooms, thereby refining the proverb of robbing Peter to pay Paul; we shall rob Peter to pay Peter.

Somehow this does not make a great deal of sense. Any experienced teacher licensed to teach in New York State who wishes to teach in central Harlem probably can get a job there. The National Teacher Corps offers to do no more than that. However, just to raise another problem, if a New York teacher wants to join the Teacher Corps to teach in a poor school in Mississippi—assuming this would meet with the approval of the local school board—she would have to do so for a Mississippi salary. The advantage to the teacher—however motivated by dedication to children—is hard to find.

Mr. Speaker, this proposal just has not been thought out and examined sufficiently for us to enact it into law. I join my colleagues on this side in urging that we send the bill back to conference with instructions to remove this one section. It is a large, complex, and in many ways experimental piece of legislation. It adds more responsibility on an already overloaded agency. It is enough to digest without including a program as controversial as a federalized Teacher Corps.

In conclusion, Mr. Speaker, since it is widely acknowledged that it will take us several years to correct the mistakes and flaws in the mass of legislation we have enacted, should not we simply avoid this one mistake now?

Mr. GRIFFIN. Mr. Speaker, will the gentleman yield?

Mr. AYRES. I yield to the gentleman from Michigan.

Mr. GRIFFIN. I wish to commend the gentleman for a statement that should be heard and understood around the country. Somehow or other, unfortunately, many of the organizations interested in higher education around the country have gotten the impression—I do not know where they got it—that a vote for the motion to recommit with instructions to strike out the Federal Teachers Corps will, somehow, be a vote to kill the higher education bill. The gentleman from Ohio served with me as one of the House conferees. I know he agrees with me that there is no justification at all for any conclusion that the higher education bill would be killed by a vote to recommit. The climate of the conference did not indicate that we would have no higher education bill if the motion to recommit is adopted. In fact, I believe, along with the gentleman from Ohio, that there is every reason to believe we would be back with a conference report, without the Teachers Corps within a few hours if the House were to stand up on this issue today. Does the gentleman agree with that statement?

Mr. AYRES. I agree with the gentleman from Michigan. There is no sense in any delay.

Mr. POWELL. Mr. Speaker, will the gentleman yield?

Mr. AYRES. I yield to the gentleman from New York.

Mr. POWELL. There would be no conference unless the chairman of the House conferees agrees to go back to conference.

Mr. GRIFFIN. Mr. Speaker, will the gentleman yield?

Mr. AYRES. I yield to the gentleman from Michigan.

Mr. GRIFFIN. Do I correctly understand by the statement of the distinguished chairman that he would not go back to conference, and that he would be responsible for killing the bill if the motion to recommit were adopted?

Mr. POWELL. No, I am stating that no conferees go back to conference unless the chairman of the House conferees and the chairman of the Senate conferees agree.

With regard to killing the bill, every single Member of the other body who belongs to the distinguished gentleman's party signed this report, and every single one of them voted for the Teacher Corps. Only three votes in the other body were against it.

Mr. GRIFFIN. I do not think that is the point.

Mr. POWELL. That is my point.

Mr. AYRES. I would like to say to the distinguished gentleman that the Senators were unanimous in their position, but I have never felt that merely because the other body was unanimous, this part of the legislative branch of the Government should be secondary. I think we not only have an obligation but we certainly have equal power when it comes to voicing our views.

Mr. HAYS. Mr. Speaker, will the gentleman yield?

Mr. AYRES. I yield to the gentleman from Ohio.

Mr. HAYS. The gentleman has talked for several minutes and I have

listened attentively to what he has said. Though he has talked about the Teacher Corps, he has not stated his reasons for opposing it. As a former teacher, I would be interested to know what is wrong with it.

Mr. AYRES. I am glad my friend from Ohio is on the floor, because, as I announced in my opening remarks, the gentleman from Minnesota [Mr. QUIE] will go into the details of the proposed legislation.

Mr. GOODELL. Mr. Speaker, will the gentleman yield?

Mr. AYRES. I yield to the gentleman from New York.

Mr. GOODELL. I appreciate the gentlemen yielding. I am sure that the gentleman would agree that we have a higher education program in this country primarily because of the bipartisan efforts of people such as the gentleman from Minnesota [Mr. QUIE], the gentleman in the well [Mr. AYRES], and others who have worked very hard to develop a higher education program.

I was rather amazed to hear the chairman of our committee imply, as he clearly did, that if he did not have his way with reference to the Teacher Corps, he was willing to kill the higher education program, in which we believe so deeply.

The issue before the House today is not whether we are for or against the higher education bill. It is whether we are for this new Teacher Corps that has been added by the Senate and which was never adopted or considered in the House.

I wish to say to the gentleman that it is bad enough that we in this House at times seem to be a rubber stamp to the Executive, but I hope we will never reach the point where we automatically rubber stamp what goes on in the other body, whether it is the action of 100 Senators or fewer.

Mr. AYRES. I agree with the gentleman. When the gentleman from Minnesota makes his motion, the House will have an opportunity to determine whether or not they want to be considered merely a rubber stamp for the other body.

Mr. Speaker, I reserve the balance of my time.

Mr. Speaker, I yield 3 minutes to the gentleman from Michigan [Mr. GRIFFIN].

Mr. GRIFFIN. Mr. Speaker, I am opposed to the Federal Teacher Corps program added on to the Higher Education Act by the other body. Let me speak to some of the arguments made by proponents of the Federal Teacher Corps.

First. They point out that a teacher must be requested by the local school district. I will grant that, but the district can only request teachers who have been previously selected and trained by the U.S. Commissioner of Education according to standards established by him.

Second. They argue that once a Federal teacher is assigned to a local school he will be subject to local school authority. This is all but irrelevant, for the point is that local schools must make "arrangements" for the use and deployment of such teachers, "arrangements"

that will be dictated by the one who has the money, the Commission of Education. Furthermore, the Commissioner will determine which school districts among those which have "concentrations of children from low-income families," will actually get the teachers.

Third. The proponents argue that a school district superintendent can fire a Federal teacher if he wishes. I suppose that is true, but he cannot fire a teacher from the Federal Teacher Corps. Teachers in a Federal Corps will not be in the same position as other teachers in a local school system because, in the final analysis, they are subject only to the control of the U.S. Commissioner of Education.

A federally selected, federally trained, and federally assigned corps of teachers would give Federal officials a powerful additional lever of control and direct influence over local schools. Suppose, for example, a local school district asks for a mathematics teacher who will teach mathematics in the traditional way. The Commissioner is likely to say: "Sorry, but our math teachers in the corps teach the new mathematics, and you will have to adopt the new system if you want to assign federally paid teachers to your district." The possibilities for Federal control must be obvious.

If one reads the Teacher Corps provisions carefully, he will find that the U.S. Commissioner will have sole authority to decide which school districts get this assistance. He needs no State approval, and he will have to consult with State education agencies only if he deems it appropriate.

This proposal is not only dangerous—it is impractical. Experienced teachers are not easy to find and they are already employed. The Federal Government will be luring a teacher from one area in order to assign a teacher in another area of the country.

The proposal has not been given enough consideration. It should be stricken from the higher education bill.

Mr. POWELL. Mr. Speaker, will the gentleman yield?

Mr. GRIFFIN. Of course, I yield to my distinguished chairman.

Mr. POWELL. The gentleman is not totally accurate. The Commissioner will make the arrangements with the local school board, and the local school board will have the power to control and the power to fire immediately upon the arrival of the teacher.

Mr. GRIFFIN. I appreciate the gentleman's statement, but I still say that in subparagraph 3 of section 513 the Secretary would be authorized to enter into arrangements; he could determine what those arrangements would be in advance, and in those arrangements, if he saw fit to do so, he could set forth the conditions under which the teacher would teach.

Mr. AYRES. Mr. Speaker, I yield 10 minutes to the gentleman from Minnesota [Mr. QUIE].

(Mr. QUIE asked and was given permission to revise and extend his remarks.)

Mr. QUIE. Mr. Speaker, it is not easy for me to stand before you and object to

a higher education bill. I have worked hard for higher education legislation since I have been in Congress. I take pride in the influence I have had on higher education legislation. I wish I could stand before you and say that I agree with all of this conference report. Now, I realize it is not usual to fully agree with all details of legislation. I recognize that the majority prevails, and I have to take some things that I do not approve of. I do this as I go along.

However, the National Teacher Corps is too much to swallow. I cannot accept this higher education bill with the National Teacher Corps in it. Can you, as a fellow Member of the House, accept a National Teachers Corps? Can you go back home and say to your constituents, "We gave ample consideration to the National Teacher Corps after studying it thoroughly, that is, after the subcommittee studied it, after the full committee studied it, and after consideration on the floor of the House, and I decided it was good"? No, you cannot do it, because the subcommittee heard testimony on this bill for only 1 day.

On that day they heard from one person who came to testify on it. That was the Senator from Wisconsin [Mr. NELSON]. The other people who appeared that day were asked about it but had not given it any prior study. That is the amount of consideration that was given to it in the subcommittee.

Now, what did we do in the full committee? Did we debate it and read the bill and go over it section by section? No. We gave 5 minutes to it in the full committee. Five minutes. Then it was reported out and the House never brought it up or considered it. So we have a bill before us today where you are being asked to buy a pig in a poke. Members of the House have never had a chance to give it consideration.

This conference report, which accepted the Senate language, is different. It is different from the bill which came out of the House committee. It is different to this extent: The conference report which we have before us provides that the Federal Government will pay 100 percent of the salaries of the teachers in the school districts. One hundred percent.

Now, under the bill that came out of the House subcommittee, the local school district would have paid for the salaries. I am concerned about this because I believe the amount of Federal control and Federal influence over our school systems which we can see here by the Federal Government paying the entire bill, is too great. When you talk about Federal control, I get the impression that you people who say there is no control at all, believe that the only way there would be control, is if the Federal Government stood there with a whip and said, you do this or else.

The Federal Government here will pay 100 percent of this bill. Think of the carrot that this places before every school district to bring in these Federal teachers. Just think of the idea of getting the additional teachers for which the school district will not have to put up 1 red cent. That is what is being

offered to the school district, and I am concerned about it. Think of what the Federal Government did this year. We passed in the Elementary and Secondary Education Act, Public Law 89-10, a provision of which sets up Federal local schools where the Federal Government will again pay the salaries, will pay 100 percent of the schools and will have set up an arrangement of Federal-local schools.

We have already taken such a large leap toward Federal influence in our local school systems that we had better stop, look, and listen. This to me is the most dangerous step we would take this year if we pass a Federal National Teacher Corps.

I am not the only one who feels this way about it. Evidently the administration felt that way about it until they put pressure on us to accept the Senate National Teacher Corps.

In the report they put out on the question of whether the Federal Government should pay the entire cost of the teachers' salaries or not, I would like to read to you from the administration's statement. Here is what they say:

Local districts should be required to give some support to the corps as an indication of their belief in it. Otherwise there will be a strong tendency for school districts to apply for the "free ride" taking all the experienced Teacher Corps volunteers they can get, all paid for by Washington.

I did not say this, the administration said this. Then they go on to say:

We believe that it is an unwise precedent for the Federal Government to begin paying 100 percent of the salaries of local employees. While the administration is concerned with the improvement of teachers' salaries wherever they are inadequate, we question the wisdom of a precedent in which the Federal Government could ultimately be held responsible for 100 percent of the salaries of some 2 million local employees.

And they go on further and say:

We also believe it would be better from the viewpoint of internal control of personnel—

Listen.—

from the viewpoint of internal control of personnel for the school district to be making the major payment of teachers' salaries.

This is not me saying this; it is the administration. People all over this government are concerned about the Federal Government's involvement in education and what can be done by executive decree. We all know what the Commissioner did in Chicago. He withheld \$30 million because he did not like the way Chicago had located their school buildings and only after political pressure from the Mayor, did Commissioner Keppel send in the \$30 million.

We also see in the CONGRESSIONAL RECORD of yesterday a letter from the Secretary of Health, Education, and Welfare in which he indicates that there is going to be an opportunity for the local school district to select the teachers in the Corps. However, the law, if you pass this conference report, will say that the Commissioner is authorized to select experienced teachers, and inexperienced teacher-interns.

I quote from section 513(a) (1):

For the purpose of carrying out this part, the Commissioner is authorized to—(1) recruit, select, and enroll experienced teachers, and inexperienced teacher-interns who have a bachelor's degree or its equivalent, in the Teacher Corps for periods of up to two years.

Now it is most interesting to note that the Secretary of Health, Education, and Welfare, Mr. Gardner's letter does not coincide with the bill which is before us. It is also interesting to note that the letter of Mr. Gardner quoted by the gentleman from Kentucky [Mr. PERKINS], in yesterday's RECORD supposedly dated October 15, is different from another letter dated October 15 by the Secretary, and the differences are these: The first letter said:

We will assure the maintenance of local responsibility in the selection of the members of the Corps team by: (a) Asking the local school district to indicate the types of teacher qualifications that would be most desirable in the teaching team they are requesting; and (b) requiring the local school district's approval of individual team members proposed by the Teacher Corps.

The second letter which was placed in the RECORD yesterday stated:

The Department of Health, Education, and Welfare will seek to guarantee maximum participation of local school authorities by: (a) Requesting them to indicate the teacher qualifications they judge to be desirable; and (b) submitting to them for approval the names of individual Teacher Corps members who are available for service.

In the first letter he said:

The local school district thus will have the right not only to indicate the type of Corps member desired in their local school situation, but will also have the right to reject any Corps member they feel is undesirable.

In the second letter it states:

The local school district retains full authority to select and reject, to appoint and fire those recruited through the Teacher Corps program.

If the position of the administration can change that fast before the bill is passed, you can imagine what can be done by the Commissioner if the National Teacher Corps is passed into law. He will recruit, select, and enroll experienced teachers and inexperienced teacher-interns—that is what the law says, and he will seek cooperative higher educational institutions to get the people trained and into the program which will give them the kind of training he wants; the school districts will have the opportunity then to accept the teachers and interns or not, but the Federal Government will hold out the carrot and pay 100 percent of the bill.

Mr. POWELL. Mr. Speaker, will the gentleman yield?

Mr. QUIE. I yield to the gentleman.

Mr. POWELL. Will there be any teachers in the Teacher Corps sent into any school district where the school district does not want them?

Mr. QUIE. The chairman is absolutely correct. No teacher will go into any school district unless the school district wants him. What I am pointing out here is that the Federal Government puts up all this money, 100 percent of the

salaries, and mind you, these teachers are not going to be paid exactly what their colleagues in the school system are going to be paid. The only one who will be is the experienced teacher, if you can find someone in the school system with similar teaching duties. Otherwise there will have to be some arrangement made.

Second, an experienced teacher who is leading a teaching team shall be compensated at a rate agreed to by such agency and the Commissioner. When the Commissioner pays the entire salary, who is going to have the decision on the rates of pay?

Third, the teacher-intern shall be compensated at a rate which is equal to the lowest rate paid by such agency for teaching full time in the school system. But then it goes into subsection (b) of section 514 and says:

For any period of training under this part the Commissioner shall pay to members of the Teacher Corps such stipends—

And, mind you, those interns will be in training in the Corps for 2 years, as you can read in section 513(a) (1) and (3). Let me repeat again—section 514(b):

(b) For any period of training under this part the Commissioner shall pay to members of the Teacher Corps such stipends (including allowances for subsistence and other expenses for such members and their dependents) as he may determine to be consistent with prevailing practices under comparable federally supported training programs.

As you note, the stipend shall include allowances for subsistence and other expenses for such members and their dependents. The above evidently applies to anyone in training. This is the experienced teachers and interns during their original 3-month training period, and since the interns are to be in training for the total 2 years, it evidently applies to them during this entire time. The remaining provisions under section 514 apply to all in the Teacher Corps.

Subsection (c) reads:

The Commissioner shall pay the necessary travel expenses of members of the Teacher Corps and their dependents and necessary expenses for the transportation of the household goods and personal effects of such members as are directly related to their service in the Corps, including readjustment allowances proportionate to service.

Subsection (d) reads:

The Commissioner is authorized to make such arrangements as may be possible, including the payment of any costs incident thereto, to protect the tenure, retirement rights, participation in a medical insurance program.

So you can see, the National Teacher Corps will not be compensated exactly the same as local teachers, and with this amount of money even greater than local teachers would receive, it would be quite an inducement for local school districts to accept what the Federal Government decides is the kind of Teacher Corps this country ought to have operating in the local school districts.

The SPEAKER pro tempore. The time of the gentleman from Minnesota has expired.

Mr. AYRES. Mr. Speaker, I yield the gentleman 1 additional minute.

Mr. ARENDS. Mr. Speaker, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Illinois.

Mr. ARENDS. Mr. Speaker, as the gentleman from Minnesota [Mr. QUIE] knows, I have been privileged to serve in this House of Representatives for a number of years and during that time I had the opportunity of serving in this House of Representatives under the late great Speaker of the House, the Honorable Sam Rayburn. I recall so vividly and so many, many times having heard him say that never would he agree to the principle of Federal money paying teachers in these United States of America.

Mr. Speaker, I always applauded the late Speaker Rayburn for this and I know that he stood firm in this conviction through the many, many years that he served as Speaker of the House of Representatives.

Mr. QUIE. Mr. Speaker, I thank the gentleman from Illinois for his contribution.

Mr. Speaker, I am going to offer a motion to recommit, to send the bill back to conference again, with the instruction that the Teacher Corps be dropped. If we do this, I shall support strongly and wholeheartedly the conference report. I shall work with my colleagues on the other side of the aisle next year to develop a system of helping train teachers to go into the culturally and educationally deprived areas and teach the pre-schoolchildren where this program ought to be carried out.

The SPEAKER pro tempore. The time of the gentleman from Minnesota has again expired.

Mr. AYRES. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. GOODELL. Mr. Speaker, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from New York.

Mr. GOODELL. Mr. Speaker, I want to commend to the attention of all the Members of the House the remarks that have just been made by the distinguished gentleman from Minnesota [Mr. QUIE].

Mr. Speaker, the gentleman from Minnesota has demonstrated by his record his commitment to Federal programs to help the field of higher education.

Mr. Speaker, it is largely due to the gentleman from Minnesota, and a few others who rose above many other considerations, that we have a higher education program today.

Mr. Speaker, the gentleman's statement is an eloquent one, because it points out how far we have gone from the initial principles that were laid down when we established a higher education program.

Today, Mr. Speaker, we are talking about teachers paid for 100 percent by the Federal Government, going into our high schools and our other schools to teach.

I would like to further point out that there is a section in here, section 516, that I know our colleagues on the other

side of the aisle are going to point to, and it the usual kind of provision. It is entitled "Local Control Preserved." It cites the powers that the local school officials will have. But, Mr. Speaker, I urge the Members of the House to not neglect the phrase or clause that comes just before the listing of those four powers, and I quote:

Except as otherwise provided in clause 3 of section 513(a) such agency shall retain the authority to—

And lists the four powers.

Mr. Speaker, clause or section 513(a) is the section which gives the power to the Commissioner to make such arrangements as he deems appropriate in making these grants and in setting up these teachers.

Mr. Speaker, I believe the gentleman will agree with me that all the powers guaranteed to local agencies are subject to the arrangements made by the Commissioner, and the power of the Commissioner to make those arrangements.

Mr. QUIE. The gentleman is correct. The SPEAKER pro tempore. The time of the gentleman from Minnesota has again expired.

Mr. AYRES. Mr. Speaker, I yield the gentleman 1 additional minute.

Mr. GOODELL. Mr. Speaker, will the gentleman yield further?

Mr. QUIE. I yield further to the gentleman from New York.

Mr. GOODELL. I would like to ask the gentleman from Minnesota a question in terms of legislative history, if I may.

Is there anything with reference to the Teacher Corps program here which refers to whether or not the teachers in the Teacher Corps, and paid 100 percent by the Federal Government, may serve in private as well as public schools?

Mr. QUIE. Yes, it provides that the teachers will serve in the primary, elementary, and secondary schools as well.

This is section 513(d), where it says—

A local educational agency may utilize members of the Teacher Corps assigned to it in providing, in the manner described in section 205(a)(2) of Public Law 874, 81st Congress, as amended, educational services in which children enrolled in private elementary and secondary schools can participate.

Mr. GOODELL. I thank the gentleman for his answer. It is a matter of legislative history, and I want to commend the gentleman again for his very forceful statement.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore (Mr. PRICE). Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 375]

Andrews, George W.	Ford, William D.	Poage, Pool
Andrews, N. Dak.	Frelinghuysen, Fulton, Tenn.	Reifel, Rivers, S.C.
Aspinall	Fuqua	Robison, Rogers, Tex.
Baring	Hagan, Ga.	Roudebush
Bell	Hanna	Sisk
Berry	Hansen, Wash.	Staggers
Bolling	Harsha	Sullivan
Callaway	Hosmer	Talcott
Casey	Keogh	Teague, Tex.
Ceiler	Leggett	Tenzer
Clausen, Don H.	Lennon	Thomas
Corman	Lindsay	Thompson, N.J.
Culver	Mackay	Thompson, Tex.
Davis, Wis.	Martin, Mass.	Toil
Diggs	Martin, Nebr.	Tunney
Dingell	Matthews	Walker, N. Mex.
Dorn	May	Watkins
Edwards, Ala.	Mosher	Willis
Flynt	O'Konski	Wilson, Bob
	O'Neal, Ga.	

The SPEAKER pro tempore (Mr. PRICE). On this rollcall 370 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

Mr. POWELL. Mr. Speaker, I yield such time as he may require to the gentleman from West Virginia [Mr. HECHLER].

(Mr. HECHLER asked and was given permission to revise and extend his remarks.)

Mr. HECHLER. Mr. Speaker, I strongly support the Teacher Corps.

Mr. Speaker, I am pleased that this time has been yielded to me so that I may outline my strong support for the Teacher Corps features of the higher educational bill conference report. The other aspects of the bill have been thoroughly reviewed. Since the Teacher Corps is the major item of controversy, and will be the subject of the motion to recommit, I want to set forth the reasons why I feel it is vital to establish the Teacher Corps.

As a former teacher, I would like to outline what this program would mean for West Virginia. During the first year of operation, 50 to 60 teachers could be recruited and assigned to West Virginia, with 100 to 120 being made available the second year. With the county school boards having full authority to hire and fire, and the Federal Government only paying the salaries of these highly trained teachers, I think the argument of Federal control or interference is a false one. Full control would be retained by the school board at the local level.

WEST VIRGINIA SCHOOLS WILL BENEFIT

Now on the positive side, I would like to point out how the Teacher Corps can directly benefit West Virginia schools. In our State, there are about 439,000 elementary and secondary school children taught by 16,400 hard-working and dedicated school teachers—most of whom do not receive as much of a salary as they really deserve. Throughout our Nation, under ideal circumstances, an equal education is afforded to all. But let us face it, there are some schools whose limited facilities and environment prohibit them from offering the same educational advantages and experiences to their students as those schools who can

afford the very best in modern equipment, methods, and facilities.

We need a reserve of well-trained, enthusiastic teachers who can serve where they are needed, and they certainly are needed in localities which have been least able in the past to attract the best teachers. In various sections of West Virginia, these teachers of a high caliber could go to areas plagued by problems, and then work under the direction of local school officials who know best our needs and also need extra help to meet these needs.

SPECIAL SKILLS IN NEEDIEST SCHOOLS

A Teacher Corps gives us an opportunity to recruit on a national basis those dedicated teachers who have the special knowledge and skills to serve in our neediest schools.

Teacher teams will go into local school districts when their services are requested—and only when requested.

The local school district will specify its needs in teacher skills—a team can be shaped to fit those needs—and the local school administrations will be provided an opportunity to review the files of potential team members and make its own selections. No Corps member will be forced upon any district.

NO FEDERAL DICTATORSHIP IN TEACHER CORPS

Teacher Corps members, once assigned to a school district, will serve as local employees, subject to the authority of local school administrations. They are not Federal employees.

Teacher Corps members will be paid at a level in keeping with the pay for other teachers in the same school system. Interns will get beginner's pay.

School administrators are finding it increasingly difficult to staff the schools attended by large numbers of disadvantaged children with top-quality teachers. But recruitment for Teacher Corps volunteers will be for a period of 2 years. Hence it is possible that hard-pressed schools will have, at the end of 2 years, as many as five excellent, experienced teachers who might well remain on the job as ex-volunteers.

As a nation we are spending \$39 billion a year or more on education. The cost of the Teacher Corps, an investment in children, can only be measured against the far greater costs of neglect and all the resultant social and economic ills associated with poverty and lack of education.

Of far greater significance than the cost are the benefits that will accrue to our country when youngsters who might have been cast aside become, instead, valued members of our society.

A CROWNING ACHIEVEMENT IN EDUCATION

The 89th Congress, which has accomplished so much in new strides for education, can—with the same sense of mission that we are seeking in our teachers—help perfect a good year's work with approval of the Teacher Corps and the entire Higher Education Act.

Mr. Speaker, this is a reasonable and sensible approach to the problem of enriching our teaching staffs. I cannot see any value in the arguments raised against it. Above all, I cannot agree that

the Higher Education Act should be placed in jeopardy because of misunderstandings and misreadings of the Teacher Corps proposals.

I intend to continue to support this fine piece of legislation and I sincerely urge every Member of the House to join me in this effort.

Mr. POWELL. Mr. Speaker, I yield such time as he may require to the distinguished gentleman from Michigan, a member of the committee [Mr. O'HARA]. (Mr. O'HARA of Michigan asked and was given permission to revise and extend his remarks.)

Mr. O'HARA of Michigan. Mr. Speaker, I rise in support of this conference report and especially in favor of the concept of the Teacher Corps.

The Teacher Corps is a logical and necessary extension of the purposes of the Elementary and Secondary Education Act, which we passed earlier in this session of Congress. That act struck hard at the problems of the urban and rural slum schools. And we still have a long way to travel before all those problems are solved.

But the Teacher Corps is clearly consistent with our earlier legislative achievement and deals directly with the most pressing problem of the slum school: good teachers.

The Teacher Corps has two great objectives: to bring dedicated teaching help to depressed urban and rural areas where it is needed the most, and to attract able and idealistic young Americans into the teaching profession.

Many Americans young and old have responded successfully to the challenge of doing a difficult and useful job in service organizations at the local, State, and National levels. Probably the most obvious example is the Peace Corps, but there are many others, too. The Teacher Corps offers a similar challenge.

I am completely assured that the Teacher Corps will be made up of experienced teachers as well as able young college graduates. Its members will volunteer for 2 years of service and professional training.

We are not looking forward to putting green, untrained teachers into our most needy schools and then just leaving them there. As every Member here knows, we have quite enough of that going on already in our home States and home districts because of the great pressures of enrollment and the teacher shortage in general.

But under the Teacher Corps, we will have at least nothing less than college graduates go into our schools and our classrooms as teacher interns. And we will at least give each one of them an additional 3 months of intensive training at a university center. Then these interns will work in small, teaching teams led by an experienced teacher.

All Corps members will teach part of the time and spend the other part of their time attending seminars conducted by the faculties of cooperating universities. Corps teachers may also take additional university work to help them earn an advanced degree by the end of their 2-year Teacher Corps service.

It is increasingly apparent to me that we must make every effort to attract the most capable and the promising young Americans into the teaching profession. Last month the national supply of new teachers fell 118,000 short of the 248,000 we really needed. This shortage is most acute in the schools of our city slums and depressed rural areas.

The Teacher Corps will help fill the ranks of the teaching profession, yes. But it will also offer a worthy challenge to idealistic young Americans, providing them with valuable classroom service and professional training. It will also help place dedicated teachers in those very slum schools where they are needed most.

No other legislation enacted or contemplated by this Chamber contains provisions to meet this pressing problem of quality teacher supply.

The Teacher Corps may be a new program, but it does not contain untried ideas. The internship method of teacher training has been widely accepted for the past 70 years. The paid intern-team approach has been in operation at Cardozo High School here in Washington for 2 years. Nearly 200 other such programs are now operating in local schools around the country.

We are not legislating an experiment here. We are legislating what the schools want—what they need—and what they actually use today, despite the great pressures of limited money and time.

I am convinced that the Teacher Corps puts tested—not untested—ideas to work and so I support it wholeheartedly. I am convinced that its object is to train teachers for our disadvantaged children and we are already on public record as knowing this to be a great national need.

And I am also convinced that the Teacher Corps—without violating any of the rights and prerogatives of local school administration and control—that the Corps will make available these teachers to those districts where they are desperately needed.

I support this measure and I urge all my colleagues to do the same.

Mr. POWELL. Mr. Speaker, I yield to our distinguished colleague from Florida [Mr. BENNETT].

(Mr. BENNETT of Florida asked and was given permission to revise and extend his remarks.)

Mr. BENNETT of Florida. Mr. Speaker, I strongly support the legislation before the House today and particularly that portion of the bill providing for a National Teacher Corps.

I feel there is a great need for this National Teacher Corps because of the unfortunate displacement of many Negro teachers by the changing conditions of our educational system. This distressing situation, which has thrown hundreds of Negro teachers out of jobs, and which threatens to displace thousands of Negro teachers in the very near future, has been directly caused by the desegregation of our schools.

As one of the first introducers of this legislation in the House, my feeling was and is that something must be done to

raise the educational level of all of our teachers especially those who were threatened by the loss of their jobs by the desegregation of schools.

Dr. Gilbert Porter, former president of the Florida State Teachers Association, the Negro teachers organization in my State, pointed out in a meeting this summer that between 1,000 and 1,500 Negro teachers faced displacement because they did not have the qualifications to score 500 or higher on the national teachers examination, which is a requirement under Florida law for all Florida teachers.

I believe a National Teachers Corps would help guard against these displacement problems not only in Florida and other Southern States, but also throughout school systems across the country. I also believe that the mere fact that there are over 1,000 teachers in my State who cannot make an acceptable score on the national teachers examination is evidence that this National Teacher Corps was needed long ago.

The charge that this Teacher Corps would establish a federalized teaching system is unfounded. The authority to employ and dismiss teachers is retained by the local school boards.

What we are trying to do is to upgrade the teaching abilities of those who are threatened by displacement and to help Negro and white teachers provide for quality education in all our schools, insofar as this limited measure can accomplish this large objective.

Mr. POWELL. Mr. Speaker, I yield such time as he may require to the distinguished gentleman from Illinois [Mr. PUCINSKI], a member of the committee.

(Mr. PUCINSKI asked and was given permission to revise and extend his remarks.)

Mr. PUCINSKI. Mr. Speaker, I rise in support of this legislation, including the Teacher Corps on which the committee has done such an effective job.

Mr. POWELL. Mr. Speaker, I yield 8 minutes to the distinguished gentleman from Oregon [Mrs. GREEN], who has done a remarkable job in the field of higher education as the chairman of the Subcommittee on Higher Education and who is the author of this legislation.

Mr. Speaker, will the gentlewoman yield to me?

Mrs. GREEN of Oregon. I yield to our very distinguished chairman of the committee.

Mr. POWELL. Mr. Speaker, the gentlewoman from Oregon has done such an excellent job in the field of higher education that it is my desire as chairman of the full committee to ask her to look into the Teacher Corps in depth. As we pass it today, it will only be for 18 months. In general, we have reached a Federal commitment to education which has grown from \$450 million, when we started together as a committee, to \$5.2 billion. This is the equivalent of the appropriation for NASA. I would like the gentlewoman to look into the entire Office of Education, and to support, if she will, a tentative agreement that the chairman has reached with the chairman of the committee in the other body, that we should set up, if the Congress

agrees next year, a joint committee of the Senate and the House to look into the whole field of the expenditure of \$5.2 billion for education.

I thank the gentlewoman for yielding.

Mrs. GREEN of Oregon. I thank the very able and gracious chairman of the committee. Of course, I wholeheartedly support his suggestion that there be a joint legislative committee of the House and the Senate on education, and I think through such cooperative efforts there could be accomplished the elimination of a great deal of overlapping and duplication. Also I am very pleased that the chairman has asked my subcommittee to look into the Teacher Corps and to start this study immediately.

There are criticisms and there are questions raised about this, and I think some of the criticisms are legitimate.

May I say, as one of the previous speakers has indicated, that hardly ever would a conference committee come out with everything that every member of the conference committee likes. When I weigh the advantages of this total conference report and the disadvantages it seems to me that the House would be well advised to support the higher education bill.

Mr. MATHIAS. Mr. Speaker, will the gentlewoman yield?

Mrs. GREEN of Oregon. I yield to the distinguished gentleman from Maryland.

Mr. MATHIAS. The gentlewoman has referred to the fact that there are questions with regard to the Teacher Corps. One question which is settled on the surface but, in my opinion, is not settled securely is whether or not the pay, the compensation of members of the Teacher Corps would affect the salary scales of local teachers or would disrupt the pay arrangements of local boards of education.

Mrs. GREEN of Oregon. Mr. Speaker, I must say that I had intended to spend the time which the Chairman yielded to me on other parts of the bill, because I think the House deserves an explanation of the conference agreement and also the other titles need the attention of the House as does the Teacher Corps. I had intended to leave the matter of the Teacher Corps explanation to the gentleman from Indiana the chief proponent in the House. But since the gentleman from Maryland has asked the question, and as I have discussed this with the chairman, and certain facts have led to the chairman's recommendation that my subcommittee look into this during the next few months, I must say to you in all honesty that the Teacher Corps provisions has been my chief concern over the higher education conference report. My subcommittee never even considered this Teacher Corps. We never had any hearings on it. Another subcommittee did consider it, however.

I do agree with the gentleman who spoke recently, the very distinguished member of the committee from Minnesota. There might very well be different salaries set up that would be paid within the local school district. I think that this is really one of my deepest concerns about this. I think that the ultimate

goal, the purpose of having a Teacher Corps that would go into areas where there are disadvantaged children is very appealing on the surface—and certainly we know there is a shortage of teachers. But this must not be bought at the high price of ruining local salary schedules and destroying the morale of local permanent teachers who stay on the job not just for 2 years but for 20 and who are just as dedicated and contribute fully as much—if not more. However, the gentleman, I believe, is correct that the "leader teacher" of the Teacher Corps would have a salary which would be negotiated between the Commissioner of Education and the local educational agency, and it might or might not be the same as the local salary schedule would indicate. The chairman of the committee is absolutely right that the local school district does not need to accept the Teacher Corps.

However, I would point out that this is true in every single educational program that is before the House. There is not a single education program that the Congress has ever passed where it is mandatory that the local district or the State accept it, and this program is no different. They can accept it or not. But where there are millions and hundreds of millions of dollars involved, the districts will want to be involved in it if they are paying taxes to support it. So we are obligated to draw provisions that are educationally sound and indisputably fair.

The second provision which I think is an oversight—and this is why I am particularly appreciative of the chairman's suggestion of a few minutes ago for an immediate study of the Teacher Corps. In rereading the bill last night and this morning it does say that with the teacher-interns, there is a 2-year training program and those of you who have a conference report in front of you can read it. It is covered on page 40 of the conference report.

Beginning in section 513(a)3 under item B the language reads:

Teaching teams, each of which shall consist of an experienced teacher and a number of—teacher interns who, in addition to teaching duties, shall be afforded time by the local educational agency for a teacher intern training program developed according to criteria established by the Commissioner and carried out under the guidance of the experienced teacher in cooperation with an institution of higher education.

Then on the same page, section 513(b) reads:

Arrangements with institutions of higher education to provide training for teacher interns while teaching in schools for local educational agencies under the provisions of this part shall provide, wherever possible, for training leading to a graduate degree.

Mr. Speaker, it seems to me clear from this language in the conference bill that the interns are in a period of "training" for the full time in which they may be teaching in any district under the terms of this act.

Then on page 41, section 514(a)3 reads:

A teacher intern shall be compensated at a rate which is equal to the lowest rate paid by such agency for teaching full time in the

school system and the grade to which the intern is assigned.

This is immediately followed by the language in section 514(b) that "for any period of training under this part." May I repeat that "for any period of training under this part" the Commissioner shall pay to the members of the Teacher Corps such stipends—including allowances for subsistence and other expenses for such members and their dependents—as he may determine to be consistent with prevailing practices under comparable federally supported training programs.

Now, Mr. Speaker, if I can read the law, this clearly says that while the intern will be paid with 100 percent Federal funds through the local school district, it also says that the Commissioner shall pay directly to the members of the Teacher Corps other stipends that he may determine to be consistent with other federally supported training programs. May I also point out this program is not part of the State plan and completely by-passes State department's of education.

Mr. Speaker, the very distinguished and able gentleman from Minnesota, in my judgment, has accurately pointed out that in a given school district this bill, as drafted may create a great deal of friction between the permanent teachers who are working under a fixed salary schedule and a Teacher Corps team of interns and one experienced teacher who may be paid salaries completely out of line with the local schedule. As I said a moment ago, I wish that there might have been time to more carefully consider these possibilities and there might also have been time to discuss this with teacher representatives and school superintendents to learn their reaction to such a provision. Again, may I repeat that it would be a very high price to pay for a Teacher Corps team if there were any possibility that the local salary schedule would be upset and the morale of the permanent teachers seriously impaired.

Let me add I think that the intent of the original Senate draft may have been to provide additional stipends only for the 3-month training program and not for the 2 years.

I think it was an oversight in the conference bill written in haste and under great pressure and I would hope that the gentleman from Indiana [Mr. BRADEMAS] might later discuss this particular point.

Mr. BRADEMAS. Mr. Speaker, will the gentlewoman yield?

Mrs. GREEN of Oregon. I yield to the gentleman from Indiana.

Mr. BRADEMAS. At that point I think the direct answer is that the gentlewoman is quite correct. The answer is "Yes."

Mrs. GREEN of Oregon. That these additional amounts are for the full 2 years under the bill?

Mr. BRADEMAS. Training stipends would be paid during a 3-month training period.

Mrs. GREEN of Oregon. And during the 2-year period. The bill states the stipends are to be paid for any training period. It does not limit it to the 3-month training period.

Mr. BRADEMAS. That is not my understanding.

Mrs. GREEN of Oregon. I would refer the gentleman to pages 40 and 41 of the bill and I would hope he would discuss it later. In section 513(a) (3) there is set forth a 2-year training program, which I would like to have the gentleman clarify and perhaps by legislative history we can do something even today on the floor of the House. Section 514(b) clearly says "for any period of training under this part the Commissioner shall pay to members of the Teacher Corps stipends."

I hope I have answered the question for the distinguished Representative from Maryland.

Mr. MATHIAS. I thank the gentleman for her very candid and helpful answer to my question.

Mrs. GREEN of Oregon. Let me say again though I have questions about this particular provision, there are other provisions of the higher education bill that far outweigh the reservations and criticisms we have over this one part. May I point out other conference agreements and I shall quickly try to go over some of the other titles, because questions have been raised by the various Members as to what the conference report does provide. I know Members also have letters to answer on this.

Mr. Speaker, in title I, I think the House retained most of the provisions that were brought to the House a few weeks ago. Instead of a 1-year authorization, however, we compromised with the Senate. They had a 5-year authorization and now we have a 3-year bill, except in the two titles: the Teacher Corps will be a 2-year program and title III for "Developing Colleges," will be a 1-year program.

Also, Mr. Speaker, no part of the bill, as I suggested, is compulsory, whether it be the Teacher Corps or whether it be some other title of the bill.

The implementation of every single part of the bill would be up to the local school districts or the States to accept or reject as they wish.

Mr. Speaker, title I of the bill was specifically designed to respond to the President's plea that the time has come—and this is a quote from one of his speeches—

The SPEAKER pro tempore. The time of the gentlewoman from Oregon has expired.

Mr. POWELL. Mr. Speaker, I yield the gentlewoman 2 additional minutes.

Mrs. GREEN of Oregon. Mr. Speaker, title I of the bill was specifically designed to respond to the President's plea that "the time has come for us to help the university to face the problems of the city as it once faced the problems of the farm."

Mr. Speaker, we do know that 70 percent of the people of this country live in urban areas.

Mr. Speaker, we retain the House provision that the special emphasis shall be upon the urban and suburban areas, though it will also include the rural areas.

The compromise title retains the four most essential elements of the House bill.

Under the title \$25 million in the first year and \$50 million in each of the next 2 years is authorized to help institutions of higher education establish community service programs to solve community problems in rural, urban or suburban areas—however, and most important, let me repeat, the bill requires that particular emphasis be given to urban and suburban problems.

Where continuing educational courses are offered the conference report retains the House limitation on the use of funds to courses which are of college level. All of the funds becoming available will be allotted through a formula without any reservation for the Commissioner of Education as proposed in the Senate bill for experimental approaches in university and continuing education. The House conferees were also successful in maintaining the House position that fees can be used for matching purposes. One very desirable Senate amendment has been accepted which establishes a National Advisory Council which will result, at least hopefully, in the coordination of all federally supported community service programs including university extension and continuing education programs, and also including programs of the Commerce Department and the Department of Agriculture.

There were very few important differences in the House and Senate versions of title II—college library assistance and library training and research. The resulting compromise will provide \$50 million each year for 3 years to help college libraries buy books and library materials. The design of the program has been modified to insure that the congressional intent is met to bring assistance to libraries. Over 50 percent of our 4-year institutions of higher learning and 82 percent of our 2-year institutions fall below accepted minimum standards in library materials, we are advised.

With respect to special purpose grants—grants to assist in meeting unique needs—national and regional needs and to establish or strengthen joint use facilities—institutions will be required to maintain their existing effort and to match \$1 for every \$3 in Federal funds. Fifteen million dollars a year will be made available for library training and research. In order to avoid overlap and duplication in Federal programs, the House conferees successfully maintained the House position with respect to the repeal of existing institute training authority in the National Defense Education Act. Under the conference report the authority for training institutes for elementary and secondary school librarians is repealed effective July 1, 1967, instead of 1965 as originally recommended by the House.

The conference report also provides \$5 million in funds this year, \$6.3 million in 1967 and \$7.8 million in 1968, to help the Library of Congress expand, speed up, and improve its cataloging services. This is vitally important to every library in the country.

I must report there has been a considerable modification of the House approved program of support to assist, through cooperative arrangements, in raising the academic standards of de-

veloping institutions. The original House bill was specifically designed to assist struggling 4-year institutions only. The Senate proposed assistance to junior colleges also. Under the conference report the authorization has been increased to \$55 million for fiscal year 1966—and 22 percent of the funds are reserved for junior colleges. The inclusion of junior colleges concerned the House conferees greatly as it was feared that the objectives of the House provision were being distorted. I believe, however, that the provision before us today is acceptable. We did place a 1-year authorization on this title. It limits assistance to those institutions, both 4-year and junior college, which have been in existence for 5 years—thus assistance will not be made available to those institutions which are developing by virtue of their recent establishment or because of rapidly expanding enrollments. Rather the House intent is maintained—to assist developing institutions—outside of the academic stream which over the years have been struggling for survival. The fact that this program is only authorized for 1 year—and that the committee will have an opportunity to reexamine and reevaluate it next year also makes it more acceptable and satisfactory.

The House bill amended the National Defense Education Act of 1958, to provide that 25 percent of the amount authorized for student loan funds could be used to make educational opportunity grants to needy students. The Senate amendment provided an independent program under which grants would be made to institutions of higher education to enable them to provide scholarships.

The substitute agreed upon in conference adopts the design of the Senate amendment and authorizes an independent program of educational opportunity grants for the next 3 years. The substitute retains most—the majority—of the House requirements. Under the proposal, \$70 million a year for 3 years is authorized for opportunity grants to promising, exceptionally needy students, plus sufficient funds to continue the awards beyond the first year so that recipients might complete their college education. Funds will be allotted to institutions under the National Defense Education Act student loan formula, which is based on the number of persons enrolled on a full-time basis in institutions of higher education.

In order for a student to be selected for an educational opportunity grant, the college or university must determine that the student first, shows evidence of academic or creative promise; second, is of exceptional financial need; and, third, would not, except for an opportunity grant, be able financially to pursue studies at an institution of higher education. The opportunity grants will range from \$200 to \$800, with an additional \$200 available for students in the top half of their class who have demonstrated need for the added funds. The basic grant may not be more than one-half of the total amount of student assistance which the institution makes available to the student, excluding funds under work-study programs.

The provision will make it possible for the exceptionally needy student with promise to attend college. Costs at private colleges have increased 40 percent since 1954. And there is no relief in sight in either public or private colleges. In fact the estimate is that during this next decade there will be an increase of 50 percent in college costs.

It is important to note that of male students in families that have incomes of less than \$3,000 and who are in the top 25 percent of the class academically, 29 percent of that income group do not go to college the first year after high school graduation; and of the girls in the top 25 percent of the class academically and who come from families with less than \$3,000 income, 69 percent are not able to go to college within 1 year of high school graduation. We do not know how many of these never go to the university. All of the studies have indicated that financial need is one of the most important reasons why qualified students do not attend college. This high percentage of able students who do not go on is a loss that I think this Nation cannot afford. This proposal will insure that the full development and education of our most precious resource—our Nation's youth—is not lost. A qualified student who wants to go and is willing to really work and study can go under the provisions of this bill.

Mr. Speaker, there were few substantive differences in the respective provisions authorizing guaranteed reduced interest loans. The program authorizes a Federal program of insured loans for students who do not have reasonable access to an equivalent State or private insured loan program and also authorizes \$17.5 million for advances to the reserve funds of State and private nonprofit programs. The maximum annual insurable loan would be \$1,000 for undergraduates and \$1,500 for graduate students, and the maximum aggregate of insured principal would be \$5,000 for undergraduates and \$7,500 for graduate students. The maximum rate of interest may not exceed 6 percent. For students from families having annual incomes of less than \$15,000 the Government would pay the interest while the student is in college and 3 percentage points of the interest thereafter. These provisions are very similar to the National Defense Education Act loans. However, there is no provision for forgiveness of loans for teachers in this part.

The repayment of principal on a federally guaranteed loan, which could begin no earlier than 9 months or later than 12 months after the student leaves school, could be deferred for up to another 3 years while the borrower is in the Armed Forces, the Peace Corps, or in graduate school.

The House provision that State and nonprofit private programs would be required to insure at least 80 percent of the principal of loans has been retained in the conference report. This guaranteed loan program is designed especially for the students from middle income families who are also having great difficulty in financing college education for perhaps three or four or more children.

Amendments to the college work study program will transfer the administration of the program from the Office of Economic Opportunity to the Office of Education where it surely belongs and liberalize the program to permit participation by students other than those from very low income families. \$129 million is authorized for the current fiscal year, \$165 million in fiscal 1967, and \$200 million in 1968.

The Special Subcommittee on Education gathered considerable testimony on the student loan program under the National Defense Education Act during the hearings on the higher education bill. At the time the subcommittee reported the bill to the full committee we believed that the subcommittee did not have sufficient evidence to make legislative recommendations for tightening loan procedures. We wanted more information. The Senate however, insisted on changes.

The Senate bill included the following National Defense Education Act amendments: First to authorize use of Federal funds, up to 1 percent of outstanding loans, to pay up to half an institution's administrative costs, including collection costs, in the National Defense Education Act student loan program; second, to require minimum repayment of \$15 a month to begin 9 months after the borrower stops carrying at least half the normal academic workload; third, to authorize 15 percent forgiveness for each year of teaching in an area where there is a high concentration of disadvantaged children. This means that for these teachers there might be a 100 percent forgiveness. May I be perfectly frank with my House colleagues and say that this is a provision that gives me some concern. First of all, the Senate language which was adopted in conference allows the 15 percent forgiveness for each year of teaching in a poverty area plus a 50 percent forgiveness. In effect this means if a teacher taught in a poverty area for only 2 years she would receive a 30 percent forgiveness and then if she went to another school or to a college and taught for 5 years she would have an additional 50 percent forgiveness, or a total of 80 percent. This seems to me to raise questions as far as equity is concerned. The other part which seems to me to be inequitable is that a college student may borrow up to \$10,000 under National Defense Education Act loans if such student is needy and may have a 50 percent forgiveness or in the case which I just described, an 80 percent forgiveness—or a 100 percent forgiveness under certain conditions—and yet another student whose family income may be only slightly higher is not allowed to borrow under National Defense Education Act and must borrow under the guaranteed loan program and under the guaranteed loan program there is no forgiveness for any teacher.

A student coming from a family with a \$7,000 income might validly raise the question as to why he cannot be forgiven at least one-half of his loan if he goes into teaching while another student classmate coming from a family with perhaps a \$5,000 income may benefit to the

tune of several thousand dollars by the forgiveness feature under the National Defense Education Act. This is a matter to which we did not give our attention in the conference report but one to which I think the attention of the committee and the attention of the House should be directed; fourth, the Senate National Defense Education Act amendments also include economics, civics, and industrial arts in the teacher institute program; fifth, and to add economics to the equipment purchase section for elementary and secondary schools.

The above five amendments are included in the conference report. I should point out, however, that the Special Subcommittee on Higher Education does intend to undertake a thorough and an in-depth study of the entire National Defense Education Act next year. We believe there may be several other changes that should be made in loan procedures and collections.

Finally may I say, Mr. Speaker, I believe the amendments to the Higher Education Facilities Act of 1963 to be the most important and significant parts of the conference report. The original House-approved amendments to double the authorizations of funds to build undergraduate and graduate academic facilities have been retained. Such an increase was necessary and justifiable on the evidence presented to the special subcommittee. We also deleted the categorical limitations in title I which will result in an even greater demand for Federal funds for facilities—funds for the humanities as well as math, science, engineering buildings.

As I said during the original House debate on the higher education bill, I believe if we were to address the college presidents and administrators and ask them what they needed the most it would be Federal funds to provide classrooms, libraries, and laboratories so that they will be able to adequately accommodate the increasing college enrollments. The needs are well documented.

The conference report includes other amendments to facilitate better administration of this program at the State level. If finally enacted—Federal grants for the construction of academic facilities at public community colleges and technical institutes may be made up to 40 percent of construction costs rather than exactly 40 percent. We believe this was the original congressional intent in the 1963 bill.

Funds allocated for public community colleges and funds allotted for 4-year institutions may be transferred for use in the other sections if the State commission has not received an application for grants under this section in question prior to January 1 of the year and if the State commission requests the transfer.

A maximum interest rate of 3 percent will be charged on loans made under title III of the Facilities Act. This brings the program in line with the recently revised dormitory loan program. This, I believe, is a highly desirable change and has wide support.

Mr. Speaker, I have attempted to cover the ways in which the programs con-

tained in the original House bill have been modified by the conference committee. The fellowship program and equipment grants will be discussed by others. I am convinced, Mr. Speaker, that the goals and objectives we discussed on August 26, when the House considered the higher education bill, will be met by the provisions in the conference report. Without question the colleges and universities and the youth of this Nation will be helped immeasurably by this legislation. Today's challenge is a challenge of change. Let us help colleges to meet it. And even though not as completely satisfactory, perhaps as each of us would like it, I believe and hope the House will sustain the House conferees in their recommendations.

May I express my deep sense of gratitude to the staff of my subcommittee and to the members of the subcommittee on both sides of the aisle who have worked so diligently and contributed so much.

Mr. POWELL. Mr. Speaker, I yield 5 minutes to the gentleman from Indiana [Mr. BRADEMAS].

(Mr. BRADEMAS asked and was given permission to revise and extend his remarks.)

Mr. BRADEMAS. Mr. Speaker, I rise in support of this higher education conference report.

This bill, which authorizes an expenditure of \$841 million in the current fiscal year, contains a wide variety of programs to aid colleges and universities. Included in the bill are: Increased funds for college construction; purchase of library books and training of librarians; grants to developing institutions; grants to help colleges solve community problems, mainly through university extension programs; financial aid for the needy and the overburdened middle-income family; and proposals for a National Teacher Corps and a teacher fellowship program.

I point out to my colleagues in the House that all of the Democratic conferees in the House, all of the Democratic conferees in the Senate, and all of the Republican conferees in the Senate signed the conference report; so that this measure does have very strong bipartisan support.

Mr. Speaker, I should like to concentrate my remarks on title V of the bill, partly because I have been one of the chief sponsors and advocates of the two programs it authorizes and partly because one of them, the Teacher Corps, has come under heavy attack here in the past 2 days. These two programs, to both of which I give full support, are the teacher fellowship program and the National Teacher Corps.

The purpose of the teacher fellowship program is to improve the quality of the education offered by the country's elementary and secondary schools. To do so, we must improve the quality of the education available for persons who pursue or intend to pursue careers in elementary and secondary education. My colleagues should note that the fellowship program includes not only persons presently teaching in elementary and secondary schools but also those who

teach, guide, or supervise such teachers. Further, persons who plan careers either as elementary or secondary teachers or in fields directly related to elementary and secondary education, such as library science, school social work, guidance and counseling, educational media, and special education for handicapped children, are also eligible for fellowships under the bill.

The purpose of this part of the bill is pursued, first, by awarding fellowships for graduate study at institutions of higher education and, second, by developing or strengthening teacher education programs in institutions of higher learning.

A total of 24,500 fellowships is authorized in the 3-year program: 4,500 in fiscal 1966 and 10,000 each in fiscal years 1967 and 1968. Total authorizations for the same 3-year period are \$475 million, consisting of \$40 million in the current fiscal year, \$160 million in fiscal 1967, and \$275 million in fiscal 1968.

The Commissioner is to allocate the fellowships to institutions of higher education with approved programs for quality graduate education for teachers. He is to encourage those presently pursuing a career in elementary and secondary education to enter these graduate programs and he is also to encourage recent college graduates to go into teaching as a career, as well as college graduates in other occupations to enter or return to a career in elementary or secondary education.

To gain approval for its program, the institution must show that its effort will improve the quality of education of elementary and secondary school teachers, and it must emphasize high-quality substantive courses, rather than the traditional methods courses. If any methods courses are offered, they must be directly related to the substantive courses and clearly secondary to them in the program.

In order to obtain equitable geographical distribution of the high-quality programs envisioned here, the Commissioner is authorized to make grants and contracts with institutions of higher education to pay part of the costs of developing or strengthening graduate programs which meet the requirements of approval and of developing or strengthening high-quality undergraduate programs for training those planning to pursue an elementary or secondary education career.

The stipends available, including subsistence and dependents allowances, are to be consistent with prevailing practices under comparable federally supported programs. In addition, payments of \$2,500 per participating student are to be paid to the institution of higher education for each academic year the student is in the program. The amount, of course, will be reduced by any tuition or other nonrefundable charges which the student must bear.

The grantee, for his part, must be a full-time student or researcher in his field, must not be engaged in gainful employment—other than part-time teaching, research, or similar approved activities related to his training—and must

maintain satisfactory proficiency in his work.

Mr. Speaker, I urge support of the fellowship program, for we need the high-caliber teachers which it will help to prepare.

I should like now to comment on the National Teacher Corps provision, about which there has been some controversy. I shall not review its provisions at this time, for I believe the discussion in the House yesterday more than adequately outlined the nature and substance of this imaginative proposal. I refer in particular to the remarks of the gentleman from Kentucky [Mr. PERKINS], who outlined the major features of the National Teacher Corps as well as to the colloquy between the gentleman from Minnesota [Mr. QUIE] and myself.

I want especially to address myself to what my colleague from Minnesota said a little while ago when he argued that he had to oppose the Teacher Corps proposal because, he said, it had not been considered in the House. The fact of the matter is that the Teacher Corps proposal was considered in hearings by the General Education Subcommittee of the Committee on Education and Labor and was voted on by the full Committee on Education and Labor.

There are several items in this conference report which were not considered at all either by a House subcommittee or a full committee of the House. Yet it is very strange, Mr. Speaker, that I did not hear the gentleman from Minnesota attack any of these items. For example, I did not hear the gentleman from Minnesota or his Republican colleagues say a word in opposition to title VI of this report which, for educational equipment and minor remodeling of buildings, authorizes half again as much money than is authorized by the Teacher Corps part of the bill.

If failure of the House to consider a proposal is grounds for opposing it, why have one friend on the university side not announced their intention to kill title VI of the bill?

The point I want to make, Mr. Speaker, is that it is surely unfair to attack the Teacher Corps on the grounds that it was not considered by the House of Representatives when there are other parts of this bill which were either supported by the minority or not objected to in their proposed motion to recommit, that were not even considered by a House subcommittee, not to speak of winning approval of the full committee, as did the Teacher Corps.

I want to take this opportunity also to read into the RECORD a letter I have just received from the Secretary of Health, Education, and Welfare, Mr. Gardner, with respect to the issue of local control.

This letter from Secretary Gardner, a distinguished Republican who is already serving with great distinction in President Johnson's Cabinet, reads as follows:

THE SECRETARY OF HEALTH,
EDUCATION, AND WELFARE,
Washington, D.C., October 20, 1965.

Hon. JOHN BRADEMAs,
House of Representatives,
Washington, D.C.

DEAR MR. BRADEMAs: In accordance with our telephone conversation I have reviewed

the discussion which took place on the House floor yesterday between you and Congressman QUIE.

I wish to reiterate that the Teacher Corps will impose no Federal control over the authority of the local school district. In particular, the local school district retains full authority of the local school district. In particular, those recruited through the Teacher Corps program. Local school authorities will be free to set the criteria for members they may wish to employ. No community need accept any teacher unsuitable to its needs.

The Office of Education will seek to guarantee maximum participation of local school authorities by (a) requesting them to indicate the teacher qualifications they judge to be desirable; and (b) submitting to them for approval the names of individual Teacher Corps members who are available for service.

I believe the Teacher Corps program will greatly improve the educational opportunities for our Nation's disadvantaged school children. At the same time, it preserves the valuable tradition of local control over the schools in each community.

Sincerely,

JOHN W. GARDNER,
Secretary.

Now, Mr. Speaker, let me here also clarify one matter raised in the colloquy between the gentleman from New York [Mr. GOODELL] and the gentleman from Minnesota [Mr. QUIE] concerning the use of Teacher Corps members in private schools.

I believe the question put by Mr. GOODELL to Mr. QUIE is answered by a simple reading of the language of title V, section 513(d) of the conference report, as follows: "A local educational agency may—" I believe Mr. GOODELL here used the word "will"—

SEC. 513(d). A local educational agency may utilize members of the Teacher Corps assigned to it in providing, in the manner described in section 205(a)(2) of Public Law 874, 81st Congress, as amended, educational services in which children enrolled in private elementary and secondary schools can participate.

Finally, Mr. Speaker, in my remaining brief time, I would like to say an additional word to clarify my earlier response to the question raised by the distinguished gentlelady from Oregon [Mrs. GREEN] with respect to the payments to be made to Teacher Corps interns during the time when they are both teaching and pursuing some training, as provided by the bill. Stipends may be paid to Teacher Corps members when they are undergoing full-time training, whether in the 3-month period preceding their employment or during the summers between the school years.

It is not intended that stipends would be paid concurrently with the times in which Teacher Corps members are receiving regular teachers' salaries.

The Federal Government would reimburse colleges and universities and local school systems for the entire cost of training, whether preservice or inservice, but it is of course not intended that Teacher Corps members would be receiving two different incomes.

The SPEAKER pro tempore (Mr. PRICE). The time of the gentleman has expired.

Mr. AYRES. Mr. Speaker, I yield 1 minute to the gentleman from Minnesota [Mr. QUIE].

Mr. QUIE. Mr. Speaker, I just want

to point out why I tried to get the gentleman from Indiana to yield to me.

I will say that while it is true that the subcommittee did consider the Teacher Corps, it did so for only 1 day and only one person came to testify on that subject. If you will all read a copy of the hearings which I am holding in my hand, you can see it yourself. The cover lists teacher fellowships and the National Teachers Corps which may appear to indicate 4 days of hearings but 3 days were only on the fellowships. The only witnesses who appeared other than Senator NELSON came prepared to testify on the fellowships and they were only asked about the Teacher Corps after they arrived.

The second part of my reason is that no matter what the Secretary says now the question is, Who are we going to believe and what are we going to believe? Are we going to believe as the Secretary says in a letter that the school districts will select the teachers? Or do we believe the bill itself which says the Commissioner is authorized to select the teachers? Who are we to believe? Is the 3-month preliminary period of training the only period where they will receive subsistence under section 514(b) as the gentleman indicates or will the period of training that the interns receive subsistence be for 2 years? The bill itself says subsistence will be paid for any period of training.

EXTENSION OF REMARKS

Mr. POWELL. Mr. Speaker, I ask unanimous consent that all Members who desire to do so may revise and extend their remarks and include extraneous matter on the pending conference report.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. POWELL. Mr. Speaker, I yield 2 minutes to the gentleman from Kentucky [Mr. PERKINS].

Mr. PERKINS. Mr. Speaker, we cannot claim for this or any other legislation that there are no imperfections. This bill is certainly not perfect. But let me point out that this bill has been carefully considered by the general Subcommittee on Education in 4 days of hearings and in extensive staff work. It was reported to the full committee and then reported to the Committee on Rules.

Perhaps we can find ways to perfect it and make it work more effectively in the future, guided by the experience gained in its administration. But I am satisfied that this legislation is urgently needed now to provide supplemental teacher services to the areas of this country, to the slum sections and to the rural areas where we have today a shortage of teachers in the elementary and secondary schools of the country. It is the purpose of this bill not only to increase the supply but also to improve the quality of the teaching service in the elementary and secondary schools in disadvantaged areas of the country. The evidence before us as to need is overwhelming and requires the wholehearted support of the conference report. Let me here recite a few pertinent facts as to need:

Five million American school age children are in families with annual incomes below the poverty line of \$2,000.

They constitute 11 percent of the 5-to-17 age group.

They are distributed throughout 95 percent of the Nation's 3,100 counties.

Their parents and older brothers and sisters make up the one-fifth of America—one out of every five Americans—which has completed less than 8 years of formal schooling.

Eighty-two thousand full-time teachers in U.S. elementary and secondary schools have less than standard certification.

The national supply of new teachers this year fell more than 128,000 short of the 248,000 needed by our schools.

These are the facts but the need for a Teacher Corps can probably best be summed up in three words—people shun poverty.

From the ranks of the undereducated comes a vast army of chronically unemployed. Young men and women—the products of educational and economic poverty—lack simple reading, writing, and math skills, and the ability to communicate verbally as well. Without these they cannot get or hold jobs. When they do, the job contributes little or nothing to the individual himself, to our society, or to the national economy.

To break out of the tradition of poverty, disadvantaged youngsters must receive the best—not the least—in education. The Elementary and Secondary Act of 1965 is a giant stride. Though it provides over a billion dollars in aid to low-income areas, it does not provide the means to attract the thousands of men and women with the enthusiasm, the dedication, the understanding, and the talent that are essential to make effective use of the newly available Federal funds.

To reach the poor child, to stir the child's curiosity, takes a very special quality in a teacher. It takes a warmth and insight which can only be the fusion of natural disposition, a sense of mission, and proper training. One of the most pathetic wastes of our times and our resources is that we have tried to teach every child, regardless of background and capabilities, by standards, conceived for children from a comfortable, middle-class, white background. In many cases the standards have been woefully inadequate for the children for whom they were intended. For the uneasy children of poverty, they have been disastrous.

By providing money, training, and opportunity the Teacher Corps would bring together qualified men and women who wish to meet and defeat poverty. Corpsmen would go, in President Johnson's words, "to the places in their country that need them the most."

As teachers gravitate in increasing numbers to wealthier schools, problems in poverty schools grow more acute. Attempts to recruit fresh personnel for poverty schools are generally fruitless. Even schools of affluence today have difficulty attracting and holding talented teachers. One result has been that slum schools have been forced to employ large numbers of substitute or temporary personnel. Many of the teachers in the schools of poverty have qualifications below standards acceptable for teaching

children from middle-class families. More are completely ill equipped to deal with the special problems of the disadvantaged.

The Teacher Corps would give status and professionalism to teaching the poor. The 6,000 members of the Teacher Corps would demonstrate that America's desire to break the poverty cycle has a strong element of human understanding and compassion, as well as sound and practical techniques.

Equal educational opportunities for all could well be the most influential element in our program of equal economic opportunity for all.

I am hopeful that the Members of this body will not be led astray by the derogatory remarks and misinformation that has been related. Let me now turn to other important features of H.R. 9567 as reported by the House managers.

Mr. Speaker, title I authorizes \$25 million for fiscal year 1966 and \$50 million for each of the fiscal years 1967 and 1968, to assist in the solution of community problems in such areas as housing, poverty, government, recreation, employment, youth opportunities, transportation, health, and land use. States would designate a State agency or institution broadly representative of higher education in the State to administer community service programs developed under this title. This title has significance for all communities large and small, as the legislation would authorize provision of the new program in rural areas, and in those rural nonfarm mining communities seeking technical knowledge as to means of attacking community problems and needs.

A community service program is defined as an educational program, activity, or service, including a research program and university extension or continuing education offering, which is designed to assist in the solution of community problems in rural, urban or suburban areas, with particular emphasis on urban and suburban problems, where the institution offering such program, activity, or service determines—First, that the proposed program, activity, or service is not otherwise adequately available; and second, that the conduct of the program or performance of the activity or service is consistent with the institution's overall educational program and is of such a nature as is appropriate to the effective utilization of the institution's special resources and the competencies of its faculty.

When course offerings are involved, such courses must be, first, fully acceptable toward an academic degree; or second, of college level as determined by the institution offering such courses.

A National Advisory Council on Extension and Continuing Education will be appointed by the President. Its main purpose will be the elimination of duplication, and the coordination of programs under this title and other programs of extension or continuing education. Further, the committee will advise the Commissioner on the approval of projects and activities under this title and will file an annual report which will recommend changes in Fed-

eral laws relating to extension and continuing education activities.

Federal funds will cover 75 percent of the costs of the program in fiscal year 1966, 75 percent in fiscal year 1967, and 50 percent in fiscal year 1978.

Up to 5 percent of the expenditures for which Federal payments are made, or \$25,000, can be used for developing and administering the State plan.

Mr. Speaker, title II initiates a program to help institutions of higher education acquire library materials needed for their expanded responsibilities in research, teaching, and student use; to encourage new and enlarged college and university training programs to prepare individuals for service in the information sciences and in libraries; to promote research and demonstration projects relating to the improvement of libraries and library and information sciences; and to expand and improve the centralized cataloging service in the Library of Congress. The title is divided into three parts, each of which is designed to meet a special need for assistance.

Part A of title II authorizes \$50 million for each of fiscal years 1966-68 for the purchase of library resources. Provision is made for basic grants of up to \$5,000 to institutions of higher education for the purchase of library resources such as books, periodicals, documents, magnetic tapes, phonograph records, audiovisual materials, and other related library materials.

The Commissioner is authorized to make supplemental grants not to exceed \$10 for each full-time student. Supplemental grants will be made on the basis of such criteria as size and age of library collection, student enrollment, and endowment and other financial resources. The basic grants must be matched by the institution. Each institution or combination of institutions must give assurances that their previous year's expenditures for materials would be maintained.

Fifteen percent of the funds appropriated for this part are set aside by the Commissioner for special grants. These special grants might be made to institutions of higher education demonstrating a special need for additional library resources; or to institutions engaged in meeting special national or regional needs in library and information sciences; or to combinations of institutions which need special assistance in establishing joint facilities.

An Advisory Council on College Library Resources will be established to assist the Commissioner in the development of criteria for the making of supplemental grants and special-purpose grants.

Part B authorizes \$15 million for each of fiscal years 1966-68 for grants to institutions of higher education for training students in librarianship, including the training of communications specialists in the physical and social sciences. The Commissioner will make grants to and contracts with institutions of higher education and other public or private agencies, institutions, and organizations for research and demonstration projects and for the dissemination of information derived from research. However, no

grant can be made to a private group other than a nonprofit one. The Commissioner will appoint panels of experts to evaluate various types of research and demonstration projects.

Part C of title II authorizes \$5 million for fiscal 1965, \$6,315,000 for fiscal 1966, and \$7,700,000 for fiscal 1968 to be used by the Library of Congress for two purposes: First, to expand and improve the centralized cataloging service which is already in operation, and second, to purchase library material from all over the world which would not otherwise be included in the Library of Congress collection and, therefore, not cataloged.

This part can relieve all types of libraries from much of the expensive cataloging process, since a larger number of catalog cards would be more readily available for purchase, at a minimal cost, through the Library of Congress.

Title III authorizes \$55 million for fiscal year 1966 to assist in raising the academic quality of colleges which have the desire and potential to make a substantial contribution to the higher education resources of the Nation but which for financial and other reasons are struggling for survival and are isolated from the main currents of academic life. This is particularly important to the small 2- and 4-year colleges of the district I am privileged to represent.

The program will authorize the Commissioner to pay part of the cost of planning and carrying out cooperative arrangements for strengthening the academic programs of qualified developing colleges. These cooperative arrangements might be between developing institutions and organizations, agencies, and business entities.

The cooperative projects might include: exchange of faculty or students, including visiting scholars; faculty improvement programs; introduction of new curriculums; development of cooperative education programs involving alternate periods of academic study and employment; joint use of facilities such as libraries or laboratories; fellowships leading to advanced degrees for the faculties of developing institutions; or other arrangements which offer promise of strengthening the academic programs of developing colleges.

The Commissioner will be authorized to award national teaching fellowships to graduate students and junior faculty members to encourage them to teach at developing institutions.

Of the funds appropriated, 22 percent will be used specifically for junior colleges.

An Advisory Council on Developing Institutions will assist the Commissioner in identifying qualified developing institutions and in establishing priorities for use in approving applications for grants.

Title IV establishes a program of student financial assistance to make the benefits of higher education available to academically qualified students in need of financial assistance. The title provides four types of assistance:

First. Undergraduate educational opportunity grants;

Second. Reduced-interest loans to both undergraduate and graduate students through private lenders, insured by State and nonprofit private loan insurance programs;

Third. An expanded work-study program to provide part-time employment for students; and

Fourth. Improvements in the national defense student loan program. The "opportunity grants" are of vital importance to our students in eastern Kentucky many of whom will not be able to secure college opportunities without it.

This part authorizes \$70 million for educational opportunity grants during fiscal year 1966—the first grants would be used during the academic year 1966-67. Institutions of higher education must determine that recipients of the grants show academic promise, are of exceptional financial need, and would not, but for an educational opportunity grant, be financially able to pursue a higher education.

Grants would be no less than \$200, or more than one-half of the total amount of student assistance—excluding work-study—provided to the same student, or \$800, whichever is the lesser; an additional \$200 would be awarded to students who were in the upper half of their class during the preceding year. Funds would be allocated among the States on the basis of college enrollment. Institutions would be permitted to transfer up to one-fourth of their funds under this part to their national defense education student loan funds.

Institutions of higher learning would be expected to make vigorous efforts to identify qualified youth of exceptional financial need and encourage them to continue their education beyond secondary school. Colleges would establish close working relationships with secondary schools and could make tentative commitments of scholarships to qualified students enrolled in grade 11 or lower and to secondary school dropouts. An institution would be required to maintain its efforts in its own scholarship and loan program.

The Commissioner is also authorized to enter into contracts, not to exceed \$100,000 per year, with State and local educational agencies and other public or nonprofit organizations for the purpose of, first, identifying qualified youths of exceptional financial need and encouraging them to continue their education, second, publicizing existing forms of financial aid, and third, encouraging secondary school and college dropouts to reenter educational programs.

Part B of title IV authorizes advances totaling \$17,500,000 through fiscal year 1968 to assist in establishing or strengthening the reserve funds of State and private nonprofit student loan insurance programs. Advances would be made to the State program and, if for any year the State program were not comprehensive, to private nonprofit programs to the extent necessary to enable students in every eligible institution to be covered by an insured loan program.

A Federal insurance program would be authorized on a standby basis of ade-

quate State and private plans are not reasonably accessible to students in every eligible institution of higher education. Total new federally insured loans could not exceed \$700 million for fiscal year 1966, \$1 billion for 1967, and \$1,400 million for fiscal year 1968.

For students from families having adjusted family income of less than \$15,000 the Federal Government would subsidize all of the interest while in school and 3 percentage points thereafter; for students from families having higher incomes there would be no interest subsidy but the insurance would cover loans to such students. Adjusted income would take into account number of family members and number attending institutions of higher education.

The interest subsidy would be available for federally insured loans and for loans insured under State and private nonprofit programs which meet specified standards as well as loans made by State programs. For the first 2 years of the program, the interest subsidy would be available for State and private plans which insure loans: first, charging no higher than 6 percent annual interest on the unpaid balance, and, second, requiring repayment to begin no earlier than 60 days after the student ceases his course of study. After June 30, 1967, the interest subsidy would not be available unless all specified standards are met.

State and private programs must be authorized to insure loans of not less than \$1,000 and not more than \$1,500 per year for any student and must be authorized to insure loans to any student for at least 6 years and would be required to insure 80 percent of unpaid principal in order to qualify for advances and—after June 30, 1967, under the legislation's 2-year transitional period—interest subsidies.

The Federal insurance program where operative would cover 100 percent of unpaid principal, excluding interest and would cover loans up to a maximum of \$1,000 per year for undergraduates and \$1,500 for graduate students and up to a maximum aggregate unpaid principal of \$5,000 for undergraduates and \$7,500 for graduates.

Federally insured loans, or loans over \$2,000 insured by a State or private program, must provide for repayment period of not less than 5 years—unless sooner repaid—nor more than 10 years, beginning 9 months to 1 year after the student leaves school, with a maximum loan period of 15 years. Minimum annual repayment in the case of Federally-insured loans would be \$360. The loan, whether insured Federally or by a State or private program, must be made without security, but endorsement may be required.

Maximum rate of interest chargeable by the lender would be set by the Secretary of Health, Education, and Welfare on a national, regional, or other appropriate basis, but it could not exceed 6 percent per year on the unpaid principal balance of the loan if insured under a State or private program. Federally insured loans would be subject to rates of interest no higher than 6 percent, except that under circumstances which

threaten to impede the carrying out of the program rates may be set as high as 7 percent.

The revised program would be authorized to make advances to State and private plans and to insure loans for 3 years—until June 30, 1968.

The work-study program under part C of title I of the Economic Opportunity Act of 1964 would be transferred from the Office of Economic Opportunity to the Office of Education.

Under this program institutions of higher education receive from the Federal Government 90 percent of the cost of providing part-time employment opportunities. Institutions may pay their share to students in the form of services and supplies furnished by the institution. The proposed amendments would expand the opportunities for part-time employment but preference must be given to students from low-income families.

The appropriations authorization for fiscal year 1966 would be \$129 million. Of this amount \$60 million is carried in the budget requests for the Office of Economic Opportunity for fiscal year 1966.

The provisions concerning agreements with institutions establishing student loan funds under title II of the National Defense Education Act would be amended to provide that the fund may be used to pay one-half of the administrative costs incurred by the institution, including collection costs, up to 1 percent of outstanding loans.

The requirements for repayment of student loans would be altered to require payment to commence 9 months after the borrower ceases to carry at least one-half the normal full-time academic workload. The minimum rate of repayment would be \$15 per month, and no interest would accrue while the borrower is carrying at least one-half the normal full-time academic workload. A provision would be added to permit institutions to assess delinquency charges.

The loan forgiveness provision of the national defense student loan program is expanded to permit persons who teach in areas of high concentration of low-income families to cancel their entire obligation at the rate of 15 percent per year.

The legislation amends the National Defense Education Act to include economics among the critical subjects to be covered in title III—equipment—and to include economics, civics, and industrial arts among the subject areas in title XI—teacher training institutes.

The National Defense Education Act title III authorizations are increased by \$10 million and title XI authorizations by \$17.25 million.

Part A of title V establishes in the Office of Education a National Teacher Corps with an authorization of \$36,100,000 for fiscal year 1966, and \$64,715,000 for fiscal year 1967. Experienced teachers and teacher-interns who have a bachelor's degree would be enrolled in the Teacher Corps for periods of up to 2 years.

Arrangements will be made at the option of local educational agencies to fur-

nish experienced teachers and teaching teams to local schools in areas having concentrations of children from low-income families. Same concept as Elementary and Secondary Education Act of 1965, title I.

Before undertaking their teaching duties, members of the Teacher Corps will be provided training by institutions of higher education or State educational agencies. For this period of training—up to 3 months—the Teacher Corps member will be paid stipends consistent with prevailing practices under comparable federally supported training programs. Teacher-interns will, while working in local schools, participate in in-service training programs carried out by experienced teachers in cooperation with institutions of higher education.

Costs of the arrangements with local educational agencies—including salaries for Teacher Corps members—will be paid entirely by the Federal Government to the local school district. Members of the Teachers Corps will not be Federal employees but locally paid and supervised teachers. An experienced teacher who is not leading a teaching team will be paid a rate equal to a teacher with similar training, experience, and duties in that agency. An experienced teacher who is leading a teaching team will be compensated at a rate to cover his supervisory and training responsibilities. A teacher-intern shall be paid a salary equal to the lowest rate paid by such agency for full-time teachers in that school and grade.

Members of the Teachers Corps will be under the direct supervision of the appropriate official of the local educational agencies to which they are assigned.

Part B of title V authorizes the Commissioner to award 4,500 fellowships in fiscal year 1966 and 10,000 fellowships in each of fiscal years 1967 and 1968. These fellowships will enable persons pursuing or planning to pursue a career in elementary or secondary education to undertake 2 years of graduate study leading to a master's degree or its equivalent.

Experienced teachers and other experienced personnel in elementary and secondary education, recent college graduates, and college graduates engaged in other occupations who wish to enter or reenter elementary or secondary education are eligible to receive fellowships. Fellowships must be allocated so as to provide an equitable distribution throughout the States, except that the Commissioner may give preference to programs designed to meet an urgent national need.

Fellowship recipients will receive stipends consistent with prevailing practice under comparable federally supported programs. The Commissioner will pay the institution of higher education at which the fellowship recipient studies an amount equivalent to \$2,500 per academic year less any tuition charged the recipient.

The Commissioner is authorized to make grants to and contracts with institutions of higher education to develop graduate programs that will substan-

tially further the objective of improving teacher education.

Forty million dollars is authorized for this part for fiscal year 1966, \$160 million for fiscal 1967, and \$275 million for fiscal 1968.

Part A of title VI makes available to institutions of higher education \$35 million for fiscal year 1966, \$40 million for fiscal year 1967, and \$50 million for fiscal year 1968, for the acquisition of laboratory and other special equipment, including audiovisual materials and equipment and printed materials—other than textbooks—suitable for use in undergraduate instruction in science, mathematics, foreign languages, history, geography, arts, humanities, government, English, or education.

This part also authorizes \$2.5 million for fiscal year 1966 and \$10 million each for fiscal year 1967 and 1968 to be used by institutions of higher education for the acquisition of television equipment and materials for instruction in the above fields and for minor remodeling necessary for the use of such equipment. An additional \$1 million is set aside for administration of the State plans approved under this part.

One-half of the authorized funds will be distributed among the States on the basis of the ratio of students in institutions of higher education in each State to the number of students in institutions of higher education in all States. The remaining one-half will be allocated among the States by an allotment ratio based on relative per capita income.

A State desiring to participate in the program must designate or establish a State commission to administer the program, and this commission would submit to the Commissioner of Education a State plan setting forth basic criteria for determining the relative priorities of eligible projects.

The Federal share of approved projects will be up to 50 percent of the cost except that the State commissions may increase such share to 80 percent in the case of institutions which otherwise would have insufficient resources to participate in the program. The application of an institution of higher education must provide assurance that the institution will maintain its level of expenditures during the preceding fiscal year for the same purposes.

Part B authorizes \$5 million for fiscal year 1966 and for each of the two succeeding fiscal years for the operation of short-term workshops or short-term or regular-session institutes for individuals preparing to use educational media equipment in teaching in institutions of higher education or individuals preparing to become specialists in educational media or librarians or other specialists using such media.

Each person attending such an institute will receive a stipend of \$75 per week plus \$15 per week for each dependent. No stipends may be paid for attendance at workshops.

Under title VII, authorizations for grants to construct undergraduate academic facilities will be increased from \$230 million to \$460 million for fiscal

year 1966. Categorical restrictions on the types of facilities to be constructed will be removed. The title II authorization—grants for construction of graduate education facilities—is increased from \$60 million to \$120 million.

The Commissioner will be given discretion to transfer allotments for public community colleges and technical institutes to other public institutions and the allotments for 4-year institutions to public community colleges and technical institutes in States where the demand for one of the categories is not sufficient to use the appropriated funds.

Interest on loans for construction of academic facilities under title III will be set at a maximum of 3 percent rather than based on the going Federal rate.

Under existing law, the Federal share for construction grants to public community colleges and public technical institutes is fixed at 40 percent of the development cost. The bill amends the act to provide that the Federal share for such projects shall be a percentage as determined under the applicable State plan but not in excess of 40 percent.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. PERKINS. I yield to the distinguished Speaker, the gentleman from Massachusetts.

Mr. McCORMACK. Mr. Speaker, the proposed Teacher Corps would be locally activated and locally controlled. It is an activity of vital interest to cities and towns. The program would be within the complete control of the local community. We see that the Republican members of the conference from the Senate are in agreement with it. It is amazing to me that my Republican friends in the House can oppose a meritorious project of this kind.

Mr. PERKINS. The Speaker is absolutely correct.

The teachers would be local employees. The gentleman from Minnesota [Mr. QUEL], has always advocated that the teachers be paid directly by Federal check from the Federal Government. He has always held fast to that belief. I cannot understand his argument here today in respect to Federal control in view of his past recommendations.

Mr. EDMONDSON. Mr. Speaker, this conference report on the higher education bill should be approved.

Every year brings stronger evidence of the need for enlarged opportunity for our young people in higher education, and the trend is likely to continue for years to come.

This Congress has already demonstrated its keen interest in meeting this problem by overwhelmingly approving H.R. 9567, with only 22 votes against it on final passage.

The conference has substantially accepted the House position on this bill, and its product is a good one fully deserving of our support.

I hope and trust the report will be approved by an emphatic majority vote.

Mr. POWELL. Mr. Speaker, I yield 1 minute to the gentleman from Oklahoma [Mr. ALBERT].

Mr. ALBERT. Mr. Speaker, this Congress, through bipartisan effort for the

most part, has distinguished itself as being the greatest education Congress of all time. The proposed Teacher Corps is another part of the total education effort. If I am not improperly advised, every Member of the U.S. Senate, including all Republican Members, supported the program when it was before that body.

One of the great legislative landmarks of this session was the Secondary and Elementary Education Act. This Teacher Corps provision, which provides for excellence in teacher training and excellence in teaching leadership, backstops that legislation. I urge all Members of the House to support it.

Mr. POWELL. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Ohio [Mr. HAYS].

Mr. HAYS. Mr. Speaker, as one who has been closely connected with education before I came here, I have listened with great interest to the arguments on the other side. The burdens of the argument of the gentleman from Minnesota seemed to be two: First, that it was not debated long enough in the House; that is, the Teacher Corps; second, that the Federal Government was going to pay for it.

The gentleman from Minnesota said, "How are you going to answer this when you go home?"

The question they are going to ask in the undermanned schools—and nearly everyone of them is undermanned, with too many pupils per teacher—is not how long it was debated in the House but, if it is killed, they are going to ask who killed it and why.

There is not an elementary school or a secondary school that I know of in the whole United States that does not need more teachers. I can remember when I taught in a high school that we got students there all the time who could not properly read. If they cannot read, they cannot learn. They were pushed on because the teachers had 40 to 45 students in a class and they could not devote the time they needed.

If there is anything we need, it is more teachers to lower the load on each teacher in the elementary schools and in the secondary schools, and to give the pupils in those schools the educational background that they need so that they can go on and be productive citizens.

I am for this measure, and I hope it passes.

Mr. POWELL. Mr. Speaker, I yield to the distinguished gentleman from Georgia [Mr. LANDRUM], a former member of this committee, the balance of the time.

(Mr. LANDRUM asked and was given permission to revise and extend his remarks.)

Mr. LANDRUM. Mr. Speaker, I support this conference report on higher education. I particularly support the provision with regard to the National Teacher Corps. We have strengthened and protected this country by the widest distribution possible of knowledge. We have done that through education. As the distinguished gentleman from Ohio [Mr. HAYS], who just preceded me, said, the greatest need in the public schools of

this country today is for more teachers. The Teacher Corps provision in the conference report would provide it.

The criticism I have heard from my Republican friends today on the Teacher Corps provision reminds me of the reply of the central character in Mildred Savage's novel, "In Vivo," when the central character, Will Caroline, was arguing with his board of directors about giving more money for research to discover some of the things he felt the company ought to have in its program. A member of the board of directors replied to him, "Oh, research is a shot in the dark." And Will Caroline said the very strong and true statement, "All progress beyond established knowledge is in the dark, and one man must see the light and creep forward with that light."

In this instance one Congress, one party, one administration has sought knowledge beyond the dark, beyond that which is established, and in seeking that has discovered needs crying out for the very things we are providing in this legislation. The Democratic Party, the administration in Washington, is inching forward with the light to spread the knowledge to a wider group of people to make this country stronger, to give it greater protection.

This conference report ought to be adopted overwhelmingly and there ought not to be a dissenting vote against providing the public schools of this country with additional well-trained, qualified teachers regardless of where the money comes from.

Why?

We have been paying money into vocational home economics and for vocational agricultural teachers, from the Federal Government, since 1917, and they have been working in the public schools. We just passed this year Federal aid to elementary and secondary schools with the highest authorization for money and education in the history of this country, and it has gone to pay teachers' salaries and to build classrooms.

I say to my friends, I hope and sincerely trust you will support this conference report and vote down overwhelmingly the motion to recommit.

Mr. DENT. Mr. Speaker, I rise in support of the Teacher Corps.

President Johnson has said:

Just as ignorance breeds poverty, poverty all too often breeds ignorance in the next generation.

Education offers the children of the poor the brightest hope for escape from this bitter cycle of ignorance and poverty. Yet the shortage of good teachers is most acute where the children of the poor are most numerous.

The Teacher Corps can go far toward alleviating this shortage. It will not only recruit men and women to teach in areas where good teachers are in shortest supply and greatest demand—it will recruit the best possible men and women to teach in these areas.

Mr. Speaker, I wish to remind my colleagues that members of the Corps will be volunteers for teaching in city slums and depressed rural areas. They will be seeking assignments which others have

shunned. They will bring to their classrooms a sense of mission which will support them in the face of whatever hardships and difficulties they encounter.

We know that dedicated teachers are the best teachers. We can assume, I think, that the best teachers of disadvantaged children will be those who have dedicated themselves to the teaching of disadvantaged children.

The Teacher Corps will be made up of both experienced teachers and young college graduates who may make a career of teaching. I think this is a very promising combination of forces.

The teacher interns will serve as members of teaching teams under the guidance of older teachers with many years of experience in education. Before starting on their teaching assignments these interns will undergo intensive 3-month training to equip them for their work. Later they will receive in-service training conducted by experienced teachers at seminars in the schools where they teach.

Thus, the program will also serve as a realistic training ground for young teachers, benefiting both themselves and the children they will be teaching in the years ahead.

It is likely that many of these devoted young teachers will choose to continue their careers as they have begun them—as teachers of disadvantaged children. In this way, Mr. Speaker, the Teacher Corps can serve as the nucleus of an expanding force which will bring education to those children who need it most—to the great benefit of our society for years to come.

The Teacher Corps is a natural extension of the wise and far-reaching legislation enacted earlier in this same session of Congress: the Elementary and Secondary Education Act of 1955. This act gives special attention to improving education in economically deprived areas.

The new programs and expanded resources made possible by the Elementary and Secondary Education Act will go far toward improving education in the areas where the greatest improvement is needed.

But no school can be better than its teachers.

Now, as always, our ultimate hopes for progress in education rest with the teachers in our classrooms. The most promising programs will fail without good teachers to run them. The finest textbooks are of little value without good teachers to guide children in their use.

The American people have challenged us to bring reality to the concept of equal educational opportunity. They have asked us to provide every child in every school with an education that matches the highest range of his ability. We have responded to that challenge by enacting the most comprehensive program of Federal assistance for education in our Nation's history. We must not undo that great program by omitting the keystone to that triumphal arch of accomplishment: more and better teachers.

That need for teachers can be supplied by retaining the Teachers Corps as an integral and necessary part of the Higher Education Act. It offers the only prospect of bringing more and better teachers to the schools where the jobs are waiting. It would supply school districts throughout the country with those very teachers who are hardest to obtain and who would carry out the most difficult assignments with the greatest promise of success.

Mr. Speaker, it remains for us to match the energy and idealism of our teachers with the need of our schools. We can do it and we should do it.

THE CONCEPT

Experienced teachers and highly qualified college graduates like those who made the Peace Corps such a success would be enrolled for 2 years of service and training to improve the educational opportunities for children living in areas having a concentration of families with low incomes. Effective professional training for the teacher interns will be provided in the most deprived rural and urban slum schools through cooperative arrangements between those schools and local colleges and universities.

SPECIFIC OBJECTIVES

To attract and train bright young people who might not otherwise enter the teaching profession or choose to teach in deprived schools.

To bring able and spirited teaching help to our most needy schools.

OPERATION OF THE TEACHER CORPS

Recruitment: College graduates and experienced teachers will be recruited for the Teacher Corps in a national campaign. A corps of some 6,000 members is eventually contemplated. An expected enrollment of 3,750 Teacher Corps members is expected the first year.

Interns: College graduates will serve in teams under the direction of an experienced Teacher Corps member. They will receive 3 months of intensive teacher training at a college or university before going into local school districts requesting their services. They will be paid at the lowest rate paid by that district for a full-time teacher.

Experienced teachers will serve either individually in schools requesting them or as leaders of Teacher Corps teams. Individual experienced teachers will be paid at the prevailing local rate for teachers of comparable experience and training. Team leaders may receive additional compensation in keeping with their added responsibilities.

Local control: Teacher Corps members will serve only at the request of local educational agencies. They will be under the same local authority as any other teacher in the system. Members will be employees of the local school district and these districts will retain full authority over curriculum and will have the customary rights of firing and hiring.

Training: Colleges and universities will carry out the intensive 3-month teacher intern training program. It is modeled on the successful programs in

teacher education for college graduates now operated by some 40 institutions of higher education. After being accepted by local school districts, interns, while working in local schools, will participate in inservice training programs carried out by the experienced teacher team leader and in cooperation with a college or university. It is expected that—at the end of 2 years of teaching and further academic study—Teacher Corps interns will be able to earn advanced degrees and receive professional certification. Tuition and university program costs will be paid by Federal grants.

FACTS AND FIGURES

The Teacher Corps provisions are contained in sections 513 through 517 of title V-B of the Higher Education Act as passed by the Senate. These provisions establish a National Teacher Corps in the Office of Education with authorizations of \$36,100,000 for fiscal year 1966 and \$64,715,000 for fiscal year 1967.

What is the Teacher Corps?

Under title V-B of the Higher Education Act, dedicated and able young men and women—like those who have made the Peace Corps such a success—will be recruited and trained to teach where they are most needed, in city slums and areas of rural poverty across the Nation. Teacher Corps members will be recruited nationally on the basis of talent and promise and will be trained by the Nation's colleges and universities. They will serve up to 2 years—side by side with local teachers—on request from State and local educational authorities. Some will be experienced teachers; others, teacher interns who will work in teams under the direction of experienced teachers. All will get university pre-service training as well as a program of inservice graduate education leading to an advanced degree.

How much money is available for the National Teacher Corps?

Just over \$36 million has been authorized for fiscal year 1966 and there will be \$64.7 million for fiscal year 1967.

Why is the Teacher Corps necessary?

In 1964, there were more than 82,000 full-time teachers with less than standard certificates. The majority of these were concentrated in low-income areas, those areas which need the best teachers. The National Education Association estimates that there is a shortage of 128,000 teachers this year. Moreover, the new Elementary and Secondary Education Act of 1965 has created a need for an additional 30,000 teachers to staff the new programs funded.

Who will pay the teachers' salaries?

Local school districts will employ Teacher Corps members and pay their salaries. The local district costs for the program will be covered by Federal grants to the district. This is in line with the precedent set by the Elementary and Secondary Education Act, which provides that Federal funds may be used by local districts to pay teachers' salaries in low-income areas.

Will this program lead to Federal control of the schools?

Teacher Corps teachers and teams are employees of and under the direct control of local school authorities. The authorities of these districts request Teacher Corps members in the first place and have the right to fire them at any time, thus assuring that local control of education will be preserved.

Section 516 of title V-B specifically states:

LOCAL CONTROL PRESERVED

SEC. 516. Members of the Teacher Corps shall be under the direct supervision of the appropriate officials of the local educational agencies to which they are assigned. Except as otherwise provided in clause (3) of section 513(a), such agencies shall retain the authority to—

- (1) assign such members within their systems;
- (2) make transfers within their systems;
- (3) determine the subject matter to be taught;
- (4) determine the terms and continuance of the assignment of such members within their systems.

Will Teacher Corps members be adequately trained?

All inexperienced teacher interns will receive 3 months of intensive training at a college or university before going into local schools requesting them. Their training will continue in the school under the close supervision of an experienced teacher and in cooperation with the university.

Are there any precedents for this kind of training program?

Yes. Intern training programs for college graduates have been operating successfully in the country since 1895. Now more than 40 institutions including Harvard, Yale, Stanford, and the University of Wisconsin have such programs leading to master's degrees.

Who is eligible to be a Teacher Corps member?

A college graduate with a bachelor's degree, whether or not he has had teaching experience, will be eligible to become a teacher intern. Experienced teachers will also be eligible to be Teacher Corps intern team leaders or to serve individually.

Where will the Teacher Corps members work?

Local schools, both urban and rural, having the highest concentrations of low-income children will be eligible to request Teacher Corps members.

Will this program take away competent teachers from other areas?

No. While some experienced teachers will be drawn to schools in poverty areas for 2 years of service, it is expected that they will be returning at the end of that period to their home districts. By encouraging dedicated college graduates, who would not normally enter the teaching profession, to become teachers and work with the disadvantaged youth of this country, it is expected that the Teacher Corps will strengthen significantly the Nation's teaching resources.

What will be the role of State educational agencies in National Teacher Corps?

The State educational agencies will act as advisers and consultants on every step in the program—recruitment, selection, training, and assignment.

Now has this measure been given adequate consideration by Congress?

The bill was considered at length by the Congress. Four days of hearings on this legislation were held before the General Subcommittee on Education of the House Committee on Education and Labor. Further, the bill was reported out by the committee. As a result of careful scrutiny in the Senate, the bill was included in the Higher Education Act of 1965. The majority of the members of the House-Senate conference agreed to its inclusion.

Does the Teacher Corps really belong in the Higher Education Act of 1965?

Yes. For two reasons: First, this measure will give the grade and high schools of this country supplementary teaching services. It will provide extra teachers and extra teaching skills in these areas. Second, for higher education, the Teacher Corps will stimulate and encourage college graduates to enter the teaching profession—supplementing their classroom experience with on-the-job contact with students. Further, the program also includes fellowships and grants for individuals seeking to improve their teaching ability through further academic training. It is an education measure on all of these counts.

MR. SICKLES. Mr. Speaker, I ask my colleagues today to finish the monumental work which this education Congress has begun for the children of the poor. This past spring, in title I of the Elementary and Secondary Education Act of 1965, we made an historic effort to upgrade education for the disadvantaged and the culturally deprived.

But that effort will not succeed unless we address ourselves to the critical point of quality education, and that means quality teachers. Therefore, I urge the support of all my colleagues for the Teacher Corps. The Teacher Corps is designed to bring quality teaching where it is most needed and often least provided—to the city slums and the rural areas of poverty.

The goals of the Teachers Corps merit our approval:

To attract and train bright young people who might not otherwise enter the teaching profession;

To attract dedicated teachers to our deprived schools;

To bring able and spirited teaching interns to our most needy schools;

To develop public awareness of the dramatic challenges faced by those schools; and

To encourage greater contact and cooperation between universities and the schools of the disadvantaged.

The Corps will enroll experienced master teachers and teacher interns with no less than a bachelor's degree—able and dedicated young people who will make teaching a career. They will receive 3 months of additional, special training in education and in the complex problems of urban and rural poverty. In addition, the teacher interns, while working in local schools, will take part in university-level training programs given by experienced teachers from institutions of higher education.

Working in teams under the super-

vision of master teachers, the teacher interns will have the unique opportunity of meeting their future teaching challenge head on—but not all by themselves, as so often happens in our schools today. The young teacher will not be left to his own devices and his own wits. The children will not be left in the hands of inexperienced college boys.

The Teacher Corps is specifically set up to prevent this kind of thing from continuing. Interns will work with a master teacher, someone with responsibility and experience, a teacher not only dedicated to better education but also dedicated to enriching the classroom experience of every child.

I can think of no better way to insure quality teachers for our schools of poverty than through the proposed Teacher Corps.

Beyond serving the needs of the culturally deprived, the Corps is sure to stimulate a new spirit among the other teachers working in the same schools. Many teachers in the past have avoided serving in urban slum schools or remote rural schoolhouses. It meant less professional status for qualified teachers. The result is often a large number of substitute or temporary personnel—exactly where experienced and dedicated teachers are desperately needed.

Through the example of the Teacher Corps, teaching in deprived schools will become the new challenge for every member of the profession. It can stimulate other dedicated teachers to apply themselves to the educational problems of the disadvantaged.

We need those teachers now. We needed them yesterday. Certainly it is in our power and it is in the Nation's highest interests that we need and provide those teachers tomorrow with the help of the National Teacher Corps.

MR. GILLIGAN. Mr. Speaker, I support most strongly retention of the National Teacher Corps in this bill. I introduced legislation, H.R. 9879, that is nearly identical with this part of the present bill, because I believe that those experienced and new teachers who volunteer for service in economically and culturally deprived areas of our country will contribute immeasurably to the task we have undertaken to eliminate poverty and ignorance and their unspeakably deplorable consequences.

MR. MEEDS. Mr. Speaker, today the House of Representatives—nearing adjournment after a long and fruitful session—will vote on the Higher Education Act of 1965.

I intend to vote for the bill. I support this measure because it will do for our colleges and universities what other legislation has done for our country's elementary and secondary schools.

I intend to vote for this bill because the Higher Education Act of 1965 is the final measure by this session of Congress that will help assure that every child in this country will have the best education we can offer—an education that will carry our children as far as their individual ability can be stretched.

I intend to vote for this bill because it is clear that we in the United States—legislator or farmer, city dweller or

teacher—can never have a Great Society without having an educated society.

Thomas Jefferson once said that any nation that expects to be both ignorant and free expects "what never was and never can be."

Years later, President Kennedy termed our Nation's educational efforts the keystone in the arch of freedom and progress.

And, at the beginning of this Congress, President Johnson made it emphatically clear that education in the United States is "the first work of our times."

Education is important to our every endeavor. When the Nation gears for national defense to meet our critical role in the world, we call upon our schools to support this effort by providing the kind and quality of education required for competent, well-trained personnel.

When this Nation fights poverty, we turn to education as the most basic means to break the cycle of poverty and ignorance typical of culturally deprived children.

We want and expect the best for our children and when the Nation and the people of the State of Washington look for a place to provide this, we turn to our schools for the answer. And to help these schools play their part, this Congress has taken steps to meet their needs.

The heart of my concern for the people living in my congressional district is that education, first and foremost, is an investment in the future of my district and my State. The funds authorized by this Higher Education Act of 1965 will do much in my district and State just as it will do a great deal for the entire Nation.

In the State of Washington, nearly 100,000 students are enrolled in colleges and universities and junior colleges alone. We have a total of 31 colleges and universities, both public and private, where this money will be directed to help solve the educational problems of the next decade.

As a member of the Education and Labor Committee, I have helped to develop the other educational measures in this Congress, just as it was my privilege to work on the Higher Education Act of 1965.

I want to outline briefly the provisions and potential contained in this act.

Title I of the Higher Education Act will directly benefit our cities by turning to the most logical source of research, information, and guidance: our higher educational institutions. Over \$400,000 is authorized for the State of Washington.

For example, in my congressional district, the fantastic problems created by the rapid growth of the area between Seattle and Everett would stun any city planner. An urban area such as this needs help to solve the intertwined problems of water and air pollution, of transportation and conservation, of proper schools and decent housing. Some men, and I suspect men of vision rather than visionaries, predict a day when the areas between Portland, Oreg., and Vancouver, British Columbia, in Canada will be one gangling metropolis. The problems that situation would conjure are nearly beyond comprehension.

Under title I, the University of Washington in Seattle and Western Washington State College, in Bellingham, can help solve these problems through community service and continuing education programs.

Both of these schools are eminently qualified in many areas to set a pattern for future development and both of these schools have a strong tradition of community service. This bill will aid that tradition of service by providing Federal funds to help solve community problems in a wide variety of topics.

I am also glad to see that the legislation contains a provision specifically stating that the operation of these programs will be consistent with the overall educational program of any participating institution. No one wants to, nor should the program be allowed to, impair the primary goal of a university—to educate the student. But, within the framework there is a great deal that can be done.

The second title of this legislation provides assistance for our college libraries and for library training and research.

This measure will help universities and colleges in several ways. First, it will allow them to acquire library materials needed for expanded responsibilities in research, teaching and student use. Second, it will encourage enlarged college and university training programs, and in other ways, is designed to help give the best to the center of any undergraduate program: a library with books in all fields to satisfy the thirsty minds of our young men and women.

The third title of the Higher Education Act has a provision which will directly assist the improvement of the academic facilities of certain "developing institutions" in the United States and I am happy to see that this legislation provides that 22 percent of the funds authorized will be reserved for junior colleges.

This title will, for example, help facilitate the exchange of faculty or students with smaller colleges. I am sure that the colleges of Washington State will be eager participants in this assistance to developing colleges in our State and throughout this Nation.

Every parent, every mother and father, knows the problems and costs of a college education. I believe this is the most urgent crisis facing our college students: just how can we insure that no child will be denied a college education simply because of lack of finances. I have been a strong supporter of the National Defense Education Act and for this reason indorse title IV of this bill which provides additional funds for student assistance.

The fourth title will give educational opportunity grants to needy students. Nearly \$1,400,000 is authorized for Washington State. Finally, and most important, it is going to provide some technical amendments to improve the National Defense Education Act.

The fifth title of this legislation will establish the National Teacher Corps, a program through which dedicated college graduates can teach in areas of the

United States having a concentration of low-income families.

This title also sets up fellowships for teachers to solve the crisis of the classroom. We all know that experienced teachers and other personnel in our grade and high schools need time to pursue graduate study and then reenter the teaching field.

In addition, this fellowship program will allow other college graduates—recent or otherwise—to go into the teaching profession after graduate study.

The three remaining titles of this legislation—VI, VII, VIII—are basic.

Title VI will give additional financial support to acquire laboratory and special equipment and materials to improve undergraduate instruction.

Title VII simply increases the funds authorized under the Higher Education Facilities Act of 1963, legislation which allowed the schools of the State of Washington to construct undergraduate academic facilities. I am happy to note that public community colleges and technical institutions will be eligible in this measure to States where the demands from four-year institutions is not sufficient to use the appropriated funds.

That, briefly, is the Higher Education Act of 1965, very significant and important piece of legislation because the foundation of our Great Society, as I have said, must be an educated society. This program is reasonable for it gives the money where it is needed most: to our colleges and universities and to our developing colleges in this country, to the students and to the people who want to pursue teaching careers.

A decade of education confronts us. Even this measure, it is clear, is only one strong step on the path of our education goal in this country.

That goal is the continued assurance that we will meet the challenge of the growing tide of students on our campuses. That challenge is—as the University of Washington describes its program of undergraduate instruction—the "years of discovery."

Let us, today, vote in concert to make sure that those "years of discovery" on the college campuses of this country are the best years in the lives of our young men and women.

Mrs. DWYER. Mr. Speaker, no matter what our individual views may be on the merits of the Teacher Corps proposal in the conference report now before us, I believe the House has an obligation to remove it from this bill. I shall, therefore, vote to recommit the conference report for that purpose.

As an idea, the proposal to enlist school teachers to go into school districts to teach culturally deprived children is a very attractive one. But can Congress legislate simply on the basis of an attractive idea? Can we enact laws which have too few conditions or standards, too little by which to control the administration of the program and measure its performance? Not, I suggest, if we take seriously our obligation as legislators.

There have been practically no hearings on this proposal in the House. There is a great deal of evidence that this was a sort of last-minute idea of the ad-

ministration. There is very little evidence that the idea was thoroughly studied, carefully considered, and recommended to Congress in a manner which indicated the administration was prepared to administer the program effectively.

This has been a problem with a great deal of legislation this year. We have received recommendations from the executive branch but not the detailed proposals for the proper administration of the program which would give the Congress confidence in the readiness and ability of the administration to do the job. The majority leader of the Senate recently complained that Congress will have to spend much of its second session repairing the omissions and deficiencies of the legislation we passed this year. I see no reason to compound the problem.

The SPEAKER. All time has expired.

Mr. POWELL. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

MOTION TO RECOMMIT

Mr. QUIE. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the conference report?

Mr. QUIE. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. QUIE, of Minnesota, moves to recommit the conference report on the bill (H.R. 9567) to the committee of conference with instructions to the managers on the part of the House to insist upon the deletion of part B of title V of the bill, which would authorize the establishment of a National Teacher Corps.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

Mr. GERALD R. FORD. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 152, nays 226, not voting 54, as follows:

[Roll No. 376]

YEAS—152

Abbutt	Clancy	Griffin
Abernethy	Clawson, Del	Gross
Adair	Cleveland	Grover
Anderson, Ill.	Collier	Gubser
Andrews,	Colmer	Gurney
Glenn	Conable	Haley
Arends	Corbett	Hall
Ashbrook	Cramer	Halleck
Ashmore	Cunningham	Hansen, Idaho
Ayres	Curtin	Hardy
Baldwin	Curtis	Harsha
Bates	Dague	Harvey, Ind.
Battin	de la Garza	Harvey, Mich.
Belcher	Derwinski	Henderson
Betts	Devine	Herlong
Bolton	Dickinson	Horton
Bow	Dole	Hull
Bray	Dowdy	Hutchinson
Brook	Downing	Jarman
Broomfield	Duncan, Tenn.	Johnson, Pa.
Broyhill, N.C.	Dwyer	Jonas
Broyhill, Va.	Ellsworth	Jones, Mo.
Buchanan	Erlenborn	Keith
Burleson	Findley	King, N.Y.
Burton, Utah	Fisher	Kornegay
Byrnes, Wis.	Ford, Gerald R.	Kunkel
Cabell	Fountain	Laird
Cahill	Fulton, Pa.	Langen
Casey	Gathings	Latta
Cederberg	Gettys	Lipscomb
Chamberlain	Goodell	Long, La.

McClory	Pool
McCulloch	Quile
McEwen	Quillen
McMillan	Reid, Ill.
MacGregor	Reinecke
Mahon	Rhodes, Ariz.
Mailliard	Roberts
Marsh	Rogers, Fla.
Martin, Ala.	Rogers, Tex.
Mathias	Rumsfeld
Michel	Satterfield
Minshall	Saylor
Mize	Schneebeli
Moore	Schweiker
Morton	Shriver
Nelsen	Sikes
Passman	Skubitz
Pelly	Smith, Calif.
Pirnie	Smith, N.Y.
Poff	Smith, Va.

NAYS—226

Adams	Gray
Addabbo	Green, Oreg.
Albert	Green, Pa.
Anderson, Tenn.	Greigg
Anunzio	Grider
Ashley	Griffiths
Bandstra	Hagen, Calif.
Barrett	Halpern
Beckworth	Hamilton
Bennett	Hanley
Bingham	Hanna
Blatnik	Hansen, Iowa
Boggs	Hansen, Wash.
Boland	Harris
Bonner	Hathaway
Brademas	Hawkins
Brooks	Hays
Brown, Calif.	Hechler
Burke	Helstoski
Burton, Calif.	Hicks
Byrne, Pa.	Holifield
Callan	Holland
Cameron	Howard
Carey	Hungate
Carter	Huot
Celler	Ichord
Chelf	Irwin
Clark	Jacobs
Clevenger	Jennings
Cohelan	Joelson
Conte	Johnson, Calif.
Conyers	Johnson, Okla.
Cooley	Jones, Ala.
Corman	Karsten
Craley	Karth
Daddario	Kastenmeyer
Daniels	Kee
Davis, Ga.	Kelly
Dawson	King, Calif.
Delaney	King, Utah
Dent	Kluczynski
Denton	Krebs
Donohue	Landrum
Dow	Long, Md.
Dulski	Love
Duncan, Oreg.	McCarthy
Dyal	McDade
Edmondson	McDowell
Edwards, Calif.	McFall
Edwards, La.	McGrath
Evans, Colo.	McVicker
Everett	Macdonald
Evins, Tenn.	Machen
Fallon	Mackie
Farbstein	Madden
Farnsley	Matsunaga
Farnum	Meeds
Fascell	Miller
Feighan	Mills
Fino	Minish
Flood	Mink
Fogarty	Moeller
Foley	Monagan
Ford	Moorhead
William D.	Morris
Fraser	Morrison
Friedel	Moss
Fulton, Tenn.	Multer
Gallagher	Murphy, Ill.
Garmatz	Murphy, N.Y.
Gialmo	Murray
Gibbons	Natcher
Gilbert	Nedzi
Gilligan	Nix
Gonzalez	O'Brien
Grabowski	O'Hara, Ill.
	O'Hara, Mich.

NOT VOTING—54

Andrews, George W.	Aspinall	Bolling
Andrews, N. Dak.	Baring	Callaway
	Bell	Clausen,
	Berry	Don H.

Springer
Stafford
Stanton
Taylor
Teague, Calif.
Thomson, Wis.
Tuck
Utt
Waggoner
Walker, Miss.
Watson
Whalley
White, Tex.
Whitener
Whitten
Widnall
Williams
Wyatt
Wylder
Younger

Culver
Davis, Wis.
Diggs
Dingell
Dorn
Edwards, Ala.
Flynt
Frelinghuysen
Fuqua
Hagan, Ga.
Hébert
Hosmer
Keogh
Kirwan
Leggett

Lennon
Lindsay
Mackay
Martin, Mass.
Martin, Nebr.
Matthews
May
Morgan
Morse
Mosher
O'Konski
O'Neal, Ga.
Poage
Reifel
Rivers, S.C.

Robison
Roudebush
Sisk
Staggers
Sullivan
Talcott
Tenzer
Thomas
Thompson, N.J.
Thompson, Tex.
Toll
Tunney
Walker, N. Mex.
Watkins
Wilson, Bob

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Hagan of Georgia for, with Mr. Keogh against.

Mr. Don H. Clausen for, with Mr. Leggett against.

Mr. O'Neal of Georgia for, with Mr. Tenzer against.

Mr. Hébert for, with Mr. Kirwan against.

Mr. Matthews for, with Mr. Staggers against.

Mr. Lennon for, with Mr. Thompson of New Jersey against.

Mr. Dorn for, with Mr. Culver against.

Mr. Rivers of South Carolina for, with Mr. Mackay against.

Mr. Edwards of Alabama for, with Mr. Bell against.

Mr. Roudebush for, with Mrs. Sullivan against.

Mr. Davis of Wisconsin for, with Mr. Toll against.

Mr. Bob Wilson for, with Mr. Sisk against.

Mr. George W. Andrews for, with Mr. Dingell against.

Mrs. May for, with Mr. Walker of New Mexico against.

Until further notice:

Mr. Thomas with Mr. Hosmer.

Mr. Thompson of Texas with Mr. Talcott.

Mr. Aspinall with Mr. Andrews of North Dakota.

Mr. Baring with Mr. Reifel.

Mr. Diggs with Mr. Frelinghuysen.

Mr. Fuqua with Mr. Callaway.

Mr. Flynt with Mr. O'Konski.

Mr. Morgan with Mr. Robison.

Mr. Tunney with Mr. Martin of Massachusetts.

Mr. JONES of Missouri changed his vote from "nay" to "yea."

Mr. RHODES of Pennsylvania changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on agreeing to the conference report.

Mr. GERALD R. FORD. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 313, nays 63, not voting 57, as follows:

[Roll No. 377]

YEAS—313

Abbutt	Beckworth	Burke
Adair	Bennett	Burton, Calif.
Adams	Betts	Burton, Utah
Addabbo	Bingham	Byrne, Pa.
Albert	Blatnik	Cabell
Anderson, Ill.	Boggs	Cahill
Anderson, Tenn.	Boland	Callan
Anunzio	Bolton	Cameron
Arends	Bonner	Carey
Ashley	Bow	Carter
Ayres	Brademas	Casey
Baldwin	Bray	Cederberg
Bandstra	Brook	Celler
Barrett	Brooks	Chamberlain
Bates	Broomfield	Chelf
Battin	Brown, Calif.	Clark
	Broyhill, Va.	Cleveland

Clevenger	Hollifield	Pirnie
Cohelan	Holland	Powell
Conable	Horton	Price
Conte	Howard	Pucinski
Conyers	Hull	Purcell
Cooley	Hungate	Race
Corbett	Huot	Randall
Corman	Ichord	Redlin
Craley	Irwin	Reid, N.Y.
Cramer	Jacobs	Reinecke
Cunningham	Jarman	Resnick
Curtis	Jennings	Reuss
Daddario	Joelson	Rhodes, Pa.
Daniels	Johnson, Calif.	Rivers, Alaska
Davis, Ga.	Johnson, Okla.	Roberts
Dawson	Johnson, Pa.	Rodino
de la Garza	Jones, Ala.	Rogers, Colo.
Delaney	Karsten	Rogers, Fla.
Dent	Karth	Ronan
Denton	Kastenmeyer	Roncallo
Donohue	Kee	Rooney, N.Y.
Dow	Keith	Rooney, Pa.
Dowdy	Kelly	Roeenthal
Downing	King, Calif.	Rostenkowski
Dulski	King, N.Y.	Roush
Duncan, Oreg.	King, Utah	Roybal
Duncan, Tenn.	Kluczynski	Rumsfeld
Dwyer	Kornegay	Ryan
Dyal	Krebs	St. Germain
Edmondson	Kunkel	St. Onge
Edwards, Calif.	Landrum	Scheuer
Edwards, La.	Langen	Schisler
Ellsworth	Latta	Schmidhauser
Evans, Colo.	Long, Md.	Schneebeli
Everett	Love	Schweiker
Evins, Tenn.	McCarthy	Scott
Fallon	McCulloch	Secrest
Farbstein	McDade	Selden
Farnsley	McDowell	Senner
Farnum	McEwen	Shipley
Fascell	McFall	Shriver
Feighan	McGrath	Sickles
Fino	McVicker	Sikes
Flood	Macdonald	Skubitz
Fogarty	Machen	Slack
Foley	Mackie	Smith, Iowa
Ford, Gerald R.	Madden	Smith, N.Y.
Ford,	Mahon	Smith, Va.
William D.	Mailhard	Springer
Fraser	Marsh	Stafford
Friedel	Mathias	Stalbaum
Fulton, Pa.	Matsunaga	Stanton
Fulton, Tenn.	Meeds	Steed
Gallagher	Miller	Stephens
Garmatz	Mills	Stratton
Gaimo	Minish	Stubblefield
Gibbons	Mink	Sweeney
Gilbert	Minshall	Taylor
Gilligan	Mize	Teague, Calif.
Gonzalez	Moeller	Teague, Tex.
Grabowski	Monagan	Thomson, Wis.
Gray	Moore	Todd
Green, Oreg.	Moorhead	Trimble
Green, Pa.	Morris	Tupper
Greigg	Morrison	Tuten
Grider	Morton	Udall
Griffiths	Moss	Ullman
Grover	Multer	Van Deerlin
Gubser	Murphy, Ill.	Vanik
Hagen, Calif.	Murphy, N.Y.	Vigorito
Halleck	Murray	Vivian
Halpern	Natcher	Watts
Hamilton	Nedzi	Weltner
Hanley	Nix	Whalley
Hanna	O'Brien	White, Idaho
Hansen, Idaho	O'Hara, Ill.	White, Tex.
Hansen, Iowa	O'Hara, Mich.	Widnall
Hansen, Wash.	Olsen, Mont.	Willis
Hardy	Olson, Minn.	Wilson,
Harris	O'Neill, Mass.	Charles H.
Harvey, Ind.	Ottinger	Wolff
Harvey, Mich.	Patman	Wright
Hathaway	Patten	Wyatt
Hawkins	Pelly	Wylder
Hays	Pepper	Yates
Hechler	Perkins	Young
Helstoski	Philbin	Zablocki
Herlong	Pickle	
Hicks	Pike	

NAYS—63

Abernethy	Colmer	Goodell
Andrews,	Curtin	Griffin
Glenn	Dague	Gross
Ashbrook	Derwinski	Gurney
Ashmore	Devine	Haley
Belcher	Dickinson	Hall
Broyhill, N.C.	Dole	Henderson
Buchanan	Erlenborn	Hutchinson
Burleson	Findley	Jones, Mo.
Byrnes, Wis.	Fisher	Laird
Clancy	Fountain	Lipcomb
Clawson, Del	Gathings	Long, La.
Collier	Gettys	McClory

McMillan	Quillen
MacGregor	Reid, Ill.
Martin, Ala.	Rhodes, Ariz.
Michel	Rogers, Tex.
Nelsen	Satterfield
Passman	Saylor
Poff	Smith, Calif.
Pool	Tuck
Quile	Utt

NOT VOTING—57

Andrews,	Fuqua	O'Neal, Ga.
George W.	Hagan, Ga.	Poage
Andrews,	Harsha	Reifel
N. Dak.	Hébert	Rivers, S.C.
Aspinall	Hosmer	Robison
Baring	Jonas	Roudebush
Bell	Keogh	Sisk
Berry	Kirwan	Staggers
Bolling	Leggett	Sullivan
Callaway	Lennon	Talcott
Clausen,	Lindsay	Tenzer
Don H.	Mackay	Thomas
Culver	Martin, Mass.	Thompson, N.J.
Davis, Wis.	Martin, Nebr.	Thompson, Tex.
Diggs	Matthews	Toll
Dingell	May	Tunney
Dorn	Morgan	Walker, N. Mex.
Edwards, Ala.	Morse	Watkins
Flynt	Moher	Wilson, Bob
Frelinghuysen	O'Konski	

So the conference report was agreed to.
The Clerk announced the following pairs:

On this vote:

Mr. Keogh for, with Mr. Hagan of Georgia against.

Mr. Leggett for, with Mr. Don H. Clausen against.

Mr. Kirwan for, with Mr. O'Neal of Georgia against.

Mr. Staggers for, with Mr. Matthews against.

Mr. Thompson of New Jersey for, with Mr. Lennon against.

Mr. Toll for, with Mr. Dorn against.

Mr. Tenzer for, with Mr. Hébert against.

Mr. Aspinall for, with Mr. George W. Andrews against.

Mr. Bell for, with Mr. Edwards of Alabama against.

Mrs. May for, with Mr. Bob Wilson against.

Mr. Robison for, with Mr. Davis of Wisconsin against.

Until further notice:

Mr. Tunney with Mr. Callaway.

Mr. Walker of New Mexico with Mr. Talcott.

Mr. Mackay with Mr. Watkins.

Mr. Morgan with Mr. Roudebush.

Mr. Flynt with Mr. Martin of Massachusetts.

Mr. Fuqua with Mr. Hosmer.

Mr. Rivers of South Carolina with Mr. Jonas.

Mr. Baring with Mr. Martin of Nebraska.

Mr. Culver with Mr. Andrews of North Dakota.

Mr. Dingell with Mr. Harsha.

Mr. Diggs with Mr. Lindsay.

Mr. Sisk with Mr. Frelinghuysen.

Mr. Thomas with Mr. Morse.

Mr. Thompson of Texas with Mr. Berry.

Messrs. TUCK and McCLORY changed their vote from "yea" to "nay."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate insists upon its amendments to the bill (H.R. 11135) entitled "An act to amend and extend the provisions of the Sugar Act of 1948, as amended, requests a conference with the

House on the disagreeing votes of the two Houses thereon, and appoints Mr. BYRD of Virginia, Mr. LONG of Louisiana, Mr. SMATHERS, Mr. WILLIAMS of Delaware, and Mr. BENNETT to be the conferees on the part of the Senate.

THE SUGAR BILL

Mr. COOLEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 11135) with Senate amendment thereto, disagree to the amendment of the Senate, and agree to the conference requested by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. COOLEY, POAGE, ABERNETHY, PURCELL, MORRISON, MATSUNAGA, DAGUE, BELCHER, and TEAGUE of California.

RIVERS AND HARBORS ACT OF 1965

Mr. FALLON. Mr. Speaker, I call up the conference report on the bill (S. 2300) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of October 18, 1965.)

Mr. FALLON. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, we have before us the conference report on the bill S. 2300. The work on this bill began back last January when the Members of the House started to introduce bills for projects in their districts, and reports from the Corps of Engineers began to accumulate. It was necessary to have reports from the different agencies in order for us to be able to make a comprehensive study of each project. I do not think there was a day when I came on the floor that a Member did not say something to me in regard to a project he had before our committee.

Hearings were held by the subcommittee chairman of the rivers and harbors [Mr. BLATNIK] and chairman of the Subcommittee on Flood Control [Mr. JONES]. These gentlemen held 6 weeks of hearings, at which time they considered every project that was before our committee.

Only those projects were included which had a favorable benefit-to-cost ratio and which in our judgment would further the economy of this country. In many instances, of course, these projects involve flood control to protect the

Others worked on this bill with equal diligence, Mr. President; that we all know. As is always the case on appropriations measures, the ranking Republican on the Appropriations Committee, the distinguished senior Senator from Massachusetts [Mr. SALTONSTALL] has cooperated in an exemplary fashion. Without his cooperation and constructive suggestions and criticism, many appropriations measures, including this supplemental bill, would not receive the effective and expeditious treatment they traditionally do receive. I sincerely thank the Senator from Massachusetts for his constructive assistance in the work of this Senate.

It would take me some time to thank each Senator who has played an important role in passing this bill. Many, including the senior Senator from Alabama [Mr. HILL], the senior Senator from Washington [Mr. MAGNUSON], the senior Senator from Pennsylvania [Mr. CLARK], the senior Senator from Oregon [Mr. MORSE], the senior Senator from Texas [Mr. YARBOROUGH], the senior Senator from Florida [Mr. HOLLAND], the senior Senator from Missouri [Mr. SYMINGTON], the senior Senator from Wisconsin [Mr. PROXMIER], the senior Senator from Illinois [Mr. DOUGLAS], the senior Senator from Ohio [Mr. LAUSCHE], the junior Senator from Louisiana [Mr. LONG], the junior Senator from Tennessee [Mr. BASS], the senior Senator from Colorado [Mr. ALLOTT], and the senior Senator from New York [Mr. JAVITS], played an active part in debate on the measure.

I thank and congratulate each of these Senators, as well as everyone in this body. It has been through the constructive work of all of you that this bill has passed. I appreciate it; the Nation appreciates it. This bill and your hard work on it has made today a most productive one.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 9567) to strengthen the educational resources of our colleges and universities and to provide financial assistance for students in postsecondary and higher education.

The message also announced that the House had disagreed to the amendment of the Senate to the bill (H.R. 11135) to amend and extend the provisions of the Sugar Act of 1948, as amended; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. COOLEY, Mr. POAGE, Mr. ABERNETHY, Mr. PURCELL, Mr. MORRISON, Mr. MATSUNAGA, Mr. DAGUE, Mr. BELCHER, and Mr. TEAGUE of California were appointed managers on the part of the House at the conference.

HIGHER EDUCATION ACT OF 1965— CONFERENCE REPORT

Mr. MORSE. Mr. President, I submit a report of the committee of conference

on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 9567) to strengthen the educational resources of our colleges and universities and to provide financial assistance for students in postsecondary and higher education. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of October 19, 1965, pp. 26447-26462, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. MORSE. I yield to the Senator from New York.

REPUBLICAN CONTRIBUTIONS

Mr. JAVITS. Mr. President, the conference report on the Higher Education Act of 1965 should be most gratifying for Senate Republicans who, in the historic tradition of Republican support of higher education dating back to the Morrill Act and the National Defense Education Act, supported the measure solidly when it passed the Senate last month.

The minority has a right to take understandable pride in the fact that the bill, as finally approved, includes some 24 major provisions sponsored by Senate Republicans in addition to many minor and technical amendments. Included among these major Senate provisions proposed by Members of the Republican minority are the following:

Additional National Defense Education Act loan forgiveness for those who teach in poverty-impacted areas.

Recognition of outstanding students by making available an additional \$200 scholarship per annum grant for those students ranking in the upper half of their class.

Postponement of the cutoff of the Institutes for School Librarians established by the National Defense Education Act to permit a phaseout rather than a sudden disruption.

Broadening the scope of the Higher Education Facilities Act to include arts and humanities.

Reduction to 3 percent of the maximum interest rates for construction loans under title III of the Higher Education Facilities Act.

Authorization for a college to transfer 25 percent of its scholarship fund to its National Defense Education Act student loan fund.

Broadening of the title VI equipment grant provisions to include the arts and humanities, in addition to other areas of instruction.

Enhancement of the role of State and private, nonprofit institutions in guaranteeing low-cost student loans.

Increase in the authorization for fiscal year 1966 of the Higher Education Facilities Act of 1963.

Broadening of the title V fellowship program to include nonpublic school teachers.

Several sections streamlining and reforming National Defense Education Act loan procedures.

Making more flexible the use of funds for construction grants to public community colleges and public technical institutes under the Higher Education Facilities Act of 1963.

Addition of "industrial arts" of title XI of the National Defense Education Act.

Authorization of payment in kind by colleges under the work-study program.

Addition of "economics" to titles III and XI of the National Defense Education Act.

Addition of "civics" to title XI of the National Defense Education Act.

Emphasis on high quality substantive courses in the title V teacher fellowship program rather than on the so-called educational method courses.

Broadening of title II so that institutions with modest resources can obtain maximum library assistance without a matching requirement and requiring institutions with resources to match Federal funds.

Training of college administrators for developing institutions.

Barring of title I extension course funds from use for sectarian instruction, religious worship, or divinity school courses.

Moderately decreasing Federal matching contribution under title I to encourage greater college participation in accord with recommendations of land-grant colleges.

FRATERNITIES AND SORORITIES

I am also highly gratified that in the bill as agreed to by the conferees, the section exempting certain college fraternities and sororities from title VI of the 1964 Civil Rights Act, regarding cutoff of Federal funds from discriminatory activities, has been very narrowly limited. The final provision, section 804(b), is limited to those fraternities and sororities which are financed exclusively by funds derived from private sources and whose facilities are not owned by an institution of higher education. Inclusion of the important word "exclusively" in the final version carries out specifically the intention I had stressed when the provision was before the Senate.

LAW SCHOOLS

Also important is the language on page 78 of the conference report which makes it clear that the 1963 Higher Education Facilities Act provisions for construction of graduate schools includes all graduate schools, including those offering programs leading to a first degree in law.

BIPARTISAN SUPPORT

Mr. President, this is truly a bipartisan bill and as such has gained bipartisan support. The rivalry between Republicans and Democrats has been only to find which could contribute the most constructive means to achieve the goals we seek.

A special tribute is due the Senator from Oregon [Mr. MORSE] who as chairman of the Subcommittee on Education captained this legislation through committee, on the floor and through conference, utilizing in the best traditions of team play the resources of his colleagues

from both sides of the aisle. As the "Mr. Education" of the Congress, Senator MORSE indeed merits the approval of the Senate and the Nation.

I wish also to pay tribute to the junior Senator from Vermont [Mr. PROUTY] who as the ranking minority member of the Education Subcommittee contributed so much to this legislation. He serves the cause of education in the tradition of his distinguished predecessor from Vermont, Justin S. Morrill, the author of the pioneer Morrill Act of 1862 which allotted substantial land grants to the States for the establishment of agricultural and mechanical colleges. While this Congress cannot boast a second Morrill Act, in Senator PROUTY we can boast a second Morrill.

Mr. MORSE. Mr. President, I am very glad I yielded to the Senator from New York. I did not have the slightest idea what he was going to say when I yielded to him. I thought he was going to make an argument on the conference report.

Mr. President, I shall yield to the Senator from Tennessee, then to the Senator from Mississippi, then to the Senator from Alaska, then to the Senator from South Carolina, and then the Senator from Texas.

I yield now to the Senator from Tennessee [Mr. BASS].

Mr. BASS. Mr. President, first I wish to commend the distinguished Senator from Oregon for the outstanding way he has handled the bill, from its very conception, through its passage in the Senate, and in the conference committee. Now it is on the floor of the Senate. I know of no man in the Senate or in the entire Congress who has contributed more in the field of higher education than has the senior Senator from Oregon.

Mr. STENNIS. Mr. President, recently I have given a great deal of thought to the needs of higher education in this Nation. I have conferred with educators, not only from my State of Mississippi, but also from other parts of the country. These conferences and my own independent studies have convinced me that the needs and demands of higher education in the immediate future are going to be so great that the State and local governments will not have the financial resources to provide the necessary facilities and student assistance programs.

Only a brief examination of the projected college and university enrollments for the years ahead is required to demonstrate the problems facing every State.

For example, it is estimated that by 1970 the number of students in our institutions of higher learning will increase by approximately 50 percent over present enrollment. This tremendous increase will place an overwhelming burden on the already overcrowded facilities unless we engage in an immediate program to improve and enlarge our public and private institutions.

So the critical demands of higher education are clear, Mr. President, and I believe the inability of State and local governments to meet these demands,

under our present tax structure, is just as clear.

The Higher Education Act of 1965 is designed to provide limited assistance to meet some of these needs. I believe several significant changes were made by the House-Senate conferees which generally improve and strengthen the bill.

I shall vote for the bill on final passage.

Mr. BARTLETT. Mr. President, because of the beneficial effect which will flow from the bill and the conference report now being considered, ours will be a better nation, its citizens will lead better lives, happier lives and lives that will be much improved economically.

I believe what has been said by the Senator from New York concerning the magnificent work performed by the Senator from Oregon and those associated with him should be recognized by all Americans.

The Senator from Oregon has addressed himself to this task for years, but I think this is the crowning year. This is the year of the most complete success of all. We are all indebted to him.

Mr. MORSE. I appreciate very much the help that the Senator from Alaska has given me on educational matters. He has performed a great service to the committee.

I thank him for that and for his kind remarks.

Mr. YARBOROUGH. Mr. President, the higher education bill which passed the Senate on September 2 was one of the most complex and comprehensive education bills ever to come before Congress. When we went to conference, it immediately became apparent that there were many important differences between the House and the Senate bills about which both the Senate and the House conferees felt quite strongly.

Many of the seven titles were not in the House bill. One, the scholarship program, had been voted down on the floor of the House in the 87th Congress. This program did appear in different form in both bills, however.

We were told that the House would not accept certain parts of the Senate bill and that if the conferees accepted them they would be voted down on the floor.

Due to the legislative skill and patience of the distinguished Senator from Oregon the conference went forward day after day, week after week. Sessions were held until the House came around basically to every title in the bill, including the Teacher Corps.

The Senate conferees were fortunate to have as their chairman a Senator skilled in the persuasive arts. The senior Senator from Oregon [Mr. MORSE] once again demonstrated his mastery of difficult legislation, his delicate sense of timing, his ability to bring about compromise, his seemingly endless patience, and his strength in standing firm.

I agree with what has already been said about the appropriation to implement the bill.

I am a member of the Appropriations Committee but not a member of the subcommittee that heard this matter. The conference report had not been filed

when the Appropriations Subcommittee held a hearing on the higher education bill.

There was no authorizing legislation at the time the subcommittee marked up this item.

On a total authorization for the first year that we are about to pass of \$841 million, the committee put \$173 million in the bill. In the Appropriations Committee I asked the senior members if they would fight for the retention of these moneys. They said they are going to make a fight with the House to retain the \$173 million. I believe that we are in better shape with a small appropriation that our conferees will desire to hold fast on, than with a larger amount that they might not really have their heart in to protect fully.

The Senate bill was more comprehensive than the House bill, including as it did the National Teacher Corps, fellowships for study leading to the masters degree, a program of financial assistance for the purchase of equipment to improve the quality of undergraduate instruction, and amendments to the National Defense Education Act and the Higher Education Facilities Act. In addition, there were important differences in each of the titles that appeared in both bills. Since the House had acted first, the Senate Subcommittee on Education had the advantage of being able to take into consideration the House bill in its markup of the legislation. The Senate bill incorporated many of the provisions of the House bill, as well as the aforementioned parts which were added by the Senate.

The bill which we have brought back from conference contains all of the Senate-added programs, some in modified form.

I commend the members of the Senate Education Subcommittee for the creative work they have done on this bill; this legislation has been improved in countless ways from the bill which was originally sent up by the Office of Education. I have long argued that the most urgent aim of congressional reform should be to make Congress a more creative branch of the Government, and that the first thing to do toward this end is for Congress to vote itself more staff so that it can hire enough competent personnel to do the job. The complexity of the problems of today's world has increased over what it was only a few decades ago; our population has grown; the involvement of the Federal Government in dealing with society's problems has been expanded. Congress is going to be left behind if it does not wake up and take steps to equip itself to confront the modern world.

The creative work which the Senate accomplished on this bill indicates what can be done; the development of this bill indicates that Congress is no rubber-stamp. Yet the need remains for more adequate staffing to enable Congress to assume its responsibilities in the challenging years which lie ahead.

TITLE VI: FINANCIAL ASSISTANCE FOR THE IMPROVEMENT OF UNDERGRADUATE INSTRUCTION

Mr. President, I would first like to discuss title VI, which authorizes a pro-

gram of matching grants to colleges for the acquisition of classroom equipment. This title was in the Senate bill but not in the House bill. The House accepted the Senate provision, with the proviso that the Federal share be up to 50 percent rather than a straight 50 percent. The Senate accepted this modification. I believe it is an improvement, in that it provides greater flexibility. Many needy colleges conceivably can be helped with less than 50 percent Federal funds, and if they can, then the money saved can be put to use elsewhere.

The conferees also agreed that the funds should be available for the leasing as well as for purchase of equipment. Again, this is desirable in that it provides added flexibility. The Office of Education is requested, however, to look closely at all financial arrangements to make sure that equipment is being acquired, either through lease or through purchase, at the least cost for the type and quality of equipment acquired.

The types of equipment which will be purchased under this title are similar to those authorized under the highly successful title III of National Defense Education Act for elementary and secondary schools—equipment for science, language, mathematics, and other laboratories; audiovisual equipment, such as projectors, screens, and recorders; specialized equipment for audiovisual centers; audiovisual materials, including films, filmstrips, transparencies, slides, tape and disk recordings, and other materials now existing or to be developed. Necessary minor remodeling of classrooms or other space is authorized.

Title VI also authorizes small amounts for planning studies for closed-circuit TV, for administration of State plans and for faculty development programs.

As the principal author of title VI, I was honored to have as cosponsors Senators CLARK, LONG of Missouri, MORSE, PROUTY, MCCARTHY, and RANDOLPH.

The authorization for fiscal year 1966 is \$43.5 million. The 3-year authorization is for a total of \$185.5 million. I ask unanimous consent to insert in the RECORD a table showing the amounts for the 3 years authorized in the bill.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Authorizations for title VI of H.R. 9567
(In millions of dollars)

	1966	1967	1968
Purchase of equipment.....	35.0	50	60
Closed circuit TV.....	2.5	10	10
Grants for administration of State plans.....	1.0	1	1
Faculty development programs.....	5.0	5	5
Total.....	43.5	66	76

NOTE.—3-year total, \$185,500,000.

Mr. YARBOROUGH. Mr. President, I would like briefly to turn to some of the other major differences in the Senate and House bills which were resolved in conference. The Senator from Oregon has dwelt in his usual thorough manner on all the differences which were

resolved, but I would like to comment briefly on several that I deem particularly important.

TITLE I—COMMUNITY SERVICE PROGRAMS

There were some major differences with regard to Senate and House provisions of title I. The House bill was defined as limited to community service programs specifically designed to assist in the solution of urban or suburban problems. The Senate bill covered extension and continuing education activities and services designed to assist in the solution of rural and urban community problems. The Senate bill was much broader, encompassing both urban and rural community problems and, through the words "extension and continuing education programs," taking in more than the more narrowly defined House language, "community service programs." A protracted discussion ensued over what the scope of the bill should be.

A compromise was finally reached, in which the Senate took basically the House language, but the term "community service programs" was defined to include university extension and continuing education programs. The geographic scope of the program encompasses rural, urban, and suburban areas, with particular emphasis on urban and suburban problems.

As one Senator who wishes to represent both the rural and the urban sectors of his State, and as one who recognizes the acute nature of the problems which confront our large cities, I wish to say that I shall watch closely the administration of this title to see that the rural areas are not slighted. In this age of urban crisis, many of the problems of the cities are caused by large numbers of people moving from rural areas into urban areas. If we could do something to halt this exodus, we would solve part of the cause of our urban difficulties. We should take a positive approach to the problem. With the size of cities increasing to enormous proportions, with the sense of insignificance and alienation that besets many people in our large cities, small towns could come to have enormous appeal to millions of people if we could make them more attractive places in which to live. We have the means of doing just that through the inclusion of rural areas in this part of the bill, the purpose of which is to solve community problems.

The Senate bill contained a provision suggested by the distinguished junior Senator from New York [Mr. KENNEDY], to authorize a National Advisory Council on Extension and Continuing Education for the purpose of eliminating duplication and effectuating coordination of programs of this sort. This provision was retained in the bill. I commend the Senator from New York for his very worthwhile and sensible amendment.

TITLE II—COLLEGE LIBRARY ASSISTANCE AND LIBRARY TRAINING AND RESEARCH

The library title is one of the most desperately needed in the bill. Our college libraries are badly in need of expansion and improvement.

The House bill repealed the authority for the National Defense Education Act training institutes for elementary and secondary school librarians, on the ground that this training could now be carried out under new authority created in title II. The fact is that this program has just gotten off the ground, and has generated considerable enthusiasm among teacher-librarians, that is to say, people who are not full-time librarians, but who both teach classes and also run the school library. We are not just manipulating numbers when we start programs of this kind, we are dealing with real flesh and blood people, and I believe that the fact that this program has generated so much enthusiasm among school librarians is sufficient reason for continuing it for one more year. The National Defense Education Act comes up for review next year, and this whole problem can best be reviewed at that time. The conference extended the life of this program through this fiscal year.

TITLE III—STRENGTHENING DEVELOPING INSTITUTIONS

In title III, to strengthen "developing institutions," the conferees were quite concerned to make clear just what was meant by the term "developing institution." The conference report is very specific that the Commission of Education should adhere to the House and Senate committee reports as to what constitutes eligible institutions. Especially important are the words from section 302(f): "colleges which for financial and other reasons are struggling for survival and are isolated from the main currents of academic life."

The other major differences of title III was over the inclusion of junior colleges as eligible institutions in the Senate bill but not in the House bill. A compromise was finally reached in which 22 percent of the authorization was to be for junior colleges, rather than the 45-percent figure in the Senate bill. The inclusion of junior colleges is an important victory, I feel, because all of the testimony which our committee has received over the past few years has indicated that our junior colleges are a most important innovation in American education, a vital new force which is breathing new life into higher education, and that these junior colleges which are offering opportunity to hundreds of thousands of young Americans who otherwise would not have an opportunity to go to college, need assistance if they are to thrive.

TITLE IV—STUDENT ASSISTANCE

The House bill called for a program of opportunity grants which were tied to the National Defense Education Act Student Loan Fund in which the authorization for loans would be increased and 25 percent of the total authorization would then be made available for the educational opportunity grants. The Senate bill set up an independent program. The drawback to the House bill was that the National Defense Education Act Student Loan Fund calls for 10-percent matching by the institution. For this and other reasons, many colleges do not participate at all in the

National Defense Education Act loan program. Of those that do have loan programs, there are great differences in the size of the loan fund as compared to the size of the student body. This would result in disproportionate percentages of the opportunity grants going to various schools, if the program were to be part of the National Defense Education Act in the manner prescribed in the House bill. The House yielded on this point, and the conference agreed upon an independent program to be administered by the colleges.

In the guaranteed reduced interest loan program an amendment which I sponsored was retained in conference. This would provide a moratorium on repayment of loans if the student goes to graduate school, into the Peace Corps or into the Armed Forces. The moratorium shall not exceed 3 years. This provision is identical to one contained in the National Defense Education Act student loan program.

TITLE V—TEACHER PROGRAMS

The National Teacher Corps has been fully explained by its authors, Senator NELSON and Senator KENNEDY of Massachusetts. I congratulate them on their imagination and initiative in conceiving this idea, and upon formulating it and seeing it through to fruition.

The fellowship program was the creation of our subcommittee chairman, the Senator from Oregon [Mr. MORSE]. No man in Congress has done more for education than has WAYNE MORSE. I salute him for his inspired leadership in guiding through Congress more education legislation than has been heretofore enacted in the entire history of our country.

Neither of these programs was in the House bill. They were accepted in conference by the House.

TITLE VII—AMENDMENTS TO HIGHER EDUCATION FACILITIES ACT

A number of meritorious amendments to the Higher Education Facilities Act were accepted by the House. A provision giving desirable flexibility to the act will empower the Governor or the State commission on higher education to transfer allotments for public community colleges and technical institutes to other public institutions of higher education, and conversely from 4-year institutions to public community colleges and technical institutes. This will allow each State to channel funds where they are most needed.

Another provision sets a maximum interest rate of 3 percent per annum for loans under title III of the Higher Education Facilities Act.

Both bills increased the authorization and both deleted the categorical limitations in the original bill.

I wish to thank the majority staff, Jack Forsyth and Charlie Lee, and the minority staff, Steve Kurzman and Roy Millenson, for the more than competent assistance which they rendered during the consideration of this bill. The job of a Senator is made easier and we are more effective to the extent to which we have such able staff assistants working with us.

CONCLUSION

Part of the job of Congress is passing new laws. In the field of education we have done this in abundance during the 88th and thus far in the 89th Congress. An equally important part of Congress job in keeping watch over the administration of laws: the job of legislative oversight. The Office of Education, the elementary and secondary schools of the country and the colleges and universities of the country are in the spotlight now. Congress can pass laws, but in the last analysis it is those who administer and those nongovernmental parties who cooperate in the administration of the laws who determine whether the laws achieve the purpose for which they were enacted. Congress has created a multitude of new programs in the field of education which, if they receive wise, imaginative, and energetic treatment from those who run them, can greatly improve the quantity and the quality of American education.

The job of creating new programs to fill still unmet needs goes on; the job of legislative oversight increases in intensity. I am convinced that we do have the talent in this country to put these programs to work in a way that will fulfill their promise. But it will take energy, courage, imagination, daring. We must rouse ourselves from sleep; shake ourselves loose from easy habits into which we have fallen. The challenge is there. The means to meet it is there. Whether we succeed or fail depends upon our capacity as human beings to rise to new heights to deal with the crucial issues of the mid-20th century.

Mr. MORSE. Mr. President, I am glad that the Senator from Texas has made this legislative history with respect to the appropriation item. With regard to his very kind remarks about me tonight, we have the conference report before us only because of the unanimity of effort in the subcommittee and in the full committee and in the final action that we took.

There were differences among us from time to time with regard to specific provisions of the bill. However, we presented a unity of action on the floor of the Senate and in committee and in conference. I believe that is why we have a bill. To every member of the committee goes an equal share of credit for the final result.

I now yield to my friend the Senator from Colorado.

Mr. DOMINICK. Mr. President, as a member of the subcommittee and of the full committee studying the bill, I have admired at all times the courtesy and patience of the Senator from Oregon, and his fairness and his bipartisan approach to this subject.

The net result was a bipartisan bill. The Republican side contributed very substantial improvements to it, I believe.

Mr. MORSE. I have stamped this bill in place after place with contributions made by Republican members of the committee.

Mr. DOMINICK. I was happy to be able to persuade some of my colleagues

on two or three points, and perhaps more. I enjoyed working on the bill. This is an extremely important program. It was a difficult bill to begin with. It was worked out, in my opinion, as well as it could be worked out, taking into account the differences between the House and the Senate, and even the differences in committee.

There is one point about which I am concerned, and that is the Teacher Corps provision, which was approved in the House. It strikes me that this will prove to be quite a troublesome portion of the bill, because of two reasons.

In the first place, I am concerned—and I have said so on other occasions—that the result of this provision could be the pirating of teachers from one district to another. This could create quite a troublesome situation, from a budgetary standpoint and otherwise, in some school districts.

For reasons that never were clear to me, we injected the provision for the Teacher Corps with relation to elementary and secondary schools in a bill which deals with higher education. I realize that we cannot have higher education without having good elementary and secondary schools.

I believe this provision may prove to be quite troublesome.

The other matter that may prove to be troublesome is the allegation that will be made without doubt—whether the chairman agrees with me or not—that this is an injection of the Federal Government into our local school system, because whether the actual pay of this Teacher Corps is made available by the district or not, the money for it will come from the Federal Government directly. This, I believe, will create a problem before we are through.

I believe that the library title is of extreme importance in the bill. I say to my good friend the senior Senator from Oregon, and to other members of the committee, that what we have done here may be the first step in the field of making an overwhelming mass of written material available for research and study to college students and graduate students.

I believe this is a real step forward in that direction.

The only other comment I wish to make to the Senator from Oregon—and I make it with all deference—is that the passage of the higher education bill in no way diminishes my enthusiasm for the idea of providing a tax credit for the cost of higher education. I plan to follow this next year as hard as I can, to see if we can get what I call “the fourth leg” under the table of the education program.

Mr. MORSE. I appreciate the remarks of the Senator from Colorado. I do not share his concern or fears concerning the Teacher Corps. There are some 26,000 school districts, and only 3,000 teachers will be involved in the Teacher Corps not all of whom are experienced teachers. I would hope that “pirating” of personnel would not become a problem. As for the threat to local control of education, I think we

covered that pretty well in the conference bill when we wrote:

LOCAL CONTROL PRESERVED

SEC. 516. Members of the Teacher Corps shall be under the direct supervision of the appropriate officials of the local educational agencies to which they are assigned. Except as otherwise provided in clause (3) of section 513(a), such agencies shall retain the authority to—

- (1) assign such members within their systems;
- (2) make transfers within their systems;
- (3) determine the subject matter to be taught;
- (4) determine the terms and continuance of the assignment of such members within their systems.

The determination of whether or not to participate will be made by local officials. They will assign or terminate the teachers. They will have complete control over them. Surely, the teachers will be paid out of Federal aid funds, but other teachers, including those employed in the public elementary and secondary schools, under some Public Law 89-10 projects are paid in that way.

But this program will be conducted for only a short 2-year authorized time. If it is not successful, we can change it; but I feel certain that it will be successful and that we will extend and expand it.

As I look around at the large attendance of Senators, I am reminded of the comments that appear from time to time in the press that I sometimes talk to an empty Chamber. I have never been so highly complimented in all my 20 years' membership in the Senate as I am now that so few Senators are in attendance. They are aware of the great importance of the bill. To think that they would all absent themselves and leave the consideration of this conference report to 3 or 4 Senators shows their confidence in the bill. Their support pleases me more than anything else they could do to demonstrate their enthusiastic support of my subcommittee.

Mr. MANSFIELD. Mr. President, I hope that the Senator from Oregon is not being facetious, but rather is serious, because what he is saying is the truth. All that is necessary is to go back to the comments made by other Senators before they left the Chamber. The Senator from Oregon is to be commended.

Mr. MORSE. Although I may have had a smile on my face, I am delighted that they have let me put this conference bill through, a bill of great importance, considering the billions of dollars that eventually will be involved, with only the few comments that have been made. That shows, I say to the Senator from Colorado [Mr. DOMINICK], how well the members of the committee did their work.

Mr. YARBOROUGH. Mr. President, I agree with the majority leader. This is a serious remark, because Senators who are not now in the Chamber have previously said that they would vote for this education bill, although they had not voted for education bills before. That shows the tremendous progress of competent leadership.

Mr. MORSE. Mr. President, I have brought to the Senate this afternoon the conference report on the Higher Education Act of 1965 as the culmination of a long process of legislative activity. I place it before the Senate confident that the Senate conferees on both sides of the aisle can take pride in bringing honorable compromise of differences without compromise of principle, for final Senate action.

I hasten to add, however, that we were unable to achieve all that we would have liked to in each of the titles, but by the same token the concepts involved in the Senate version of the bill were not sacrificed to expediency.

Mr. President, I ask unanimous consent that there be printed at this point in my remarks the text of the conference report on H.R. 9567, and that it be followed by a table setting forth the appropriate titles in which State-by-State allocation provisions are to be found.

There being no objection, the conference report and tables was ordered to be printed in the RECORD, as follows:

HIGHER EDUCATION ACT OF 1965

Mr. POWELL, from the committee of conference, submitted the following conference report, to accompany H.R. 9567:

* * * * *

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That this Act may be cited as the 'Higher Education Act of 1965'."

"TITLE I—COMMUNITY SERVICE AND CONTINUING EDUCATION PROGRAMS

"Appropriations Authorized

"SEC 101. For the purpose of assisting the people of the United States in the solution of community problems such as housing, poverty, government, recreation, employment, youth opportunities, transportation, health, and land use by enabling the Commissioner to make grants under this title to strengthen community service programs of colleges and universities, there are authorized to be appropriated \$25,000,000 for the fiscal year ending June 30, 1966, and \$50,000,000 for the fiscal year ending June 30, 1967, and for the succeeding fiscal year. For the fiscal year ending June 30, 1969, and the succeeding fiscal year, there may be appropriated, to enable the Commissioner to make such grants, only such sums as the Congress may hereafter authorize by law.

"Definition of Community Service Program

"SEC. 102. For purposes of this title, the term 'community service program' means an educational program, activity, or service, including a research program and a university extension or continuing education offering, which is designed to assist in the solution of community problems in rural, urban, or suburban areas, with particular emphasis on urban and suburban problems, where the institution offering such program, activity, or service determines—

"(1) that the proposed program, activity, or service is not otherwise available, and

"(2) that the conduct of the program or performance of the activity or service is consistent with the institution's over-all educational program and is of such a nature as is appropriate to the effective utilization of the institution's special resources and the competencies of its faculty.

"Where course offerings are involved, such courses must be university extension or continuing education courses and must be—

"(A) fully acceptable toward an academic degree, or

"(B) of college level as determined by the institution offering such courses.

"Allotments to States

"SEC. 103. (a) Of the sums appropriated pursuant to section 101 for each fiscal year, the Commissioner shall allot \$25,000 each to Guam, American Samoa, the Commonwealth of Puerto Rico, and the Virgin Islands and \$100,000 to each of the other States, and he shall allot to each State an amount which bears the same ratio to the remainder of such sums as the population of the State bears to the population of all States.

"(b) The amount of any State's allotment under subsection (a) for any fiscal year which the Commissioner determines will not be required for such fiscal year for carrying out the State plan (if any) approved under this title shall be available for reallotment from time to time, on such dates during such year as the Commissioner may fix, to other States in proportion to the original allotments to such States under such subsection for such year, but with such proportionate amount for any of such States being reduced to the extent it exceeds the sum the Commissioner estimates such State needs and will be able to use for such year for carrying out the State plan; and the total of such reductions shall be similarly reallotted among the States whose proportionate amounts were not so reduced. Any amount reallotted to a State under this subsection during a year from funds appropriated pursuant to section 101 shall be deemed part of its allotment under subsection (a) for such year.

"(c) In accordance with regulations of the Commissioner, any State may file with him a request that a specified portion of its allotment under this title be added to the allotment of another State under this title for the purpose of meeting a portion of the Federal share of the cost of providing community service programs under this title. If it is found by the Commissioner that the programs with respect to which the request is made would meet needs of the State making the request and that use of the specified portion of such State's allotment, as requested by it, would assist in carrying out the purposes of this title, such portion of such State's allotment shall be added to the allotment of the other State under this title to be used for the purpose referred to above.

"(d) The population of a State and of all the States shall be determined by the Commissioner on the basis of the most recent satisfactory data available from the Department of Commerce.

"Uses of Allotted Funds

"SEC. 104. A State's allotment under section 103 may be used, in accordance with its State plan approved under section 105(b), to provide new, expanded, or improved community service programs.

"State Plans

"SEC. 105. (a) Any State desiring to receive its allotment of Federal funds under this title shall designate or create a State agency or institution which has special qualifications with respect to solving community problems and which is broadly representative of institutions of higher education in the State which are competent to offer community service programs, and shall submit to the Commissioner through the agency or institution so designated a State plan. If a State desires to designate for the purposes of this section an existing State agency or institution which does not meet these requirements, it may do so if the agency or institution takes such action as may be necessary to acquire such qualifications and assure participation of such institutions, or if it designates or creates a State advisory council

which meets the requirements not met by the designated agency or institution to consult with the designated agency or institution in the preparation of the State plan. A State plan submitted under this title shall be in such detail as the Commissioner deems necessary and shall—

"(1) provide that the agency or institution so designated or created shall be the sole agency for administration of the plan or for supervision of the administration of the plan; and provide that such agency or institution shall consult with any State advisory council required to be created by this section with respect to policy matters arising in the administration of such plan;

"(2) set forth a comprehensive, coordinated, and statewide system of community service programs under which funds paid to the State (including funds paid to an institution pursuant to section 106(c)) under its allotments under section 103 will be expended solely for community service programs which have been approved by the agency or institution administering the plan;

"(3) set forth the policies and procedures to be followed in allocating Federal funds to institutions of higher education in the State, which policies and procedures shall insure that due consideration will be given—

"(A) to the relative capacity and willingness of particular institutions of higher education (whether public or private) to provide effective community service programs;

"(B) to the availability of and need for community service programs among the population within the State; and

"(C) to the results of periodic evaluations of the programs carried out under this title in the light of information regarding current and anticipated community problems in the State;

"(4) set forth policies and procedures designed to assure that Federal funds made available under this title will be so used as not to supplant State or local funds, or funds of institutions of higher education, but to supplement and, to the extent practicable, to increase the amounts of such funds that would in the absence of such Federal funds be made available for community service programs;

"(5) set forth such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the State (including such funds paid by the State or by the Commissioner to institutions of higher education) under this title; and

"(6) provide for making such reports in such form and containing such information as the Commissioner may reasonably require to carry out his functions under this title, and for keeping such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports.

"(b) The Commissioner shall approve any State plan and any modification thereof which complies with the provisions of subsection (a).

"Payments

"Sec. 106. (a) Except as provided in subsection (b), payment under this title shall be made to those State agencies and institutions which administer plans approved under section 105(b). Payments under this title from a State's allotment with respect to the cost of developing and carrying out its State plan shall equal 75 per centum of such costs for the fiscal year ending June 30, 1966, 75 per centum of such costs for the fiscal year ending June 30, 1967, and 50 per centum of such costs for each of the three succeeding fiscal years, except that no payments for any fiscal year shall be made to any State with respect to expenditures for developing and administering the State plan which exceed 5 per centum of the costs for that year for which payment under this subsection may

be made to that State, or \$25,000, whichever is the greater. In determining the cost of developing and carrying out a State's plan, there shall be excluded any cost with respect to which payments were received under any other Federal program.

"(b) No payments shall be made to any State from its allotments for any fiscal year unless and until the Commissioner finds that the institutions of higher education which will participate in carrying out the State plan for that year will together have available during that year for expenditure from non-Federal sources for college and university extension and continuing education programs not less than the total amount actually expended by those institutions for college and university extension and continuing education programs from such sources during the fiscal year ending June 30, 1965, plus an amount equal to not less than the non-Federal share of the costs with respect to which payment pursuant to subsection (a) is sought.

"(c) Payments to a State under this title may be made in installments and in advance or by way of reimbursement with necessary adjustments on account of overpayments or underpayments, and they may be paid directly to the State or to one or more participating institutions of higher education designated for this purpose by the State, or to both.

"Administration of State Plans

"Sec. 107. (a) The Commissioner shall not finally disapprove any State plan submitted under this title, or any modification thereof, without first affording the State agency or institution submitting the plan reasonable notice and opportunity for a hearing.

"(b) Whenever the Commissioner, after reasonable notice and opportunity for hearing to the State agency or institution administering a State plan approved under section 105(b), finds that—

"(1) the State plan has been so changed that it no longer complies with the provisions of section 105(a), or

"(2) in the administration of the plan there is no failure to comply substantially with any such provision.

the Commissioner shall notify the State agency or institution that the State will not be regarded as eligible to participate in the program under this title until he is satisfied that there is no longer any such failure to comply.

"Judicial Review

"Sec. 108. (a) If any State is dissatisfied with the Commissioner's final action with respect to the approval of its State plan submitted under section 105(a) or with his final action under section 107(b), such State may, within sixty days after notice of such action, file with the United States court of appeals for the circuit in which the State is located a petition for review of that action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Commissioner. The Commissioner thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code.

"(b) The findings of fact by the Commissioner, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Commissioner to take further evidence, and the Commissioner may thereupon make new or modified findings of fact and may modify his previous action, and shall certify to the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

"(c) The court shall have jurisdiction to affirm the action of the Commissioner or to set it aside, in whole or in part. The judgment of the court shall be subject to review

by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

"National Advisory Council on Extension and Continuing Education

"Sec. 109. (a) The President shall, within ninety days of enactment of this title, appoint a National Advisory Council on Extension and Continuing Education (hereafter referred to as the "Advisory Council"), consisting of the Commissioner, who shall be Chairman, one representative each of the Departments of Agriculture, Commerce, Defense, Labor, Interior, State, and Housing and Urban Development, and the Office of Economic Opportunity, and of such other Federal agencies having extension education responsibilities as the President may designate, and twelve members appointed, for staggered terms and without regard to the civil service laws, by the President. Such twelve members shall, to the extent possible, include persons knowledgeable in the fields of extension and continuing education, State and local officials, and other persons having special knowledge, experience, or qualification with respect to community problems, and persons representative of the general public. The Advisory Council shall meet at the call of the Chairman but not less often than twice a year.

(b) The Advisory Council shall advise the Commissioner in the preparation of general regulations and with respect to policy matters arising in the administration of this title, including policies and procedures governing the approval of State plans under section 105(b), and policies to eliminate duplication and to effectuate the coordination of programs under this title and other programs offering extension or continuing education activities and services.

"(c) The Advisory Council shall review the administration and effectiveness of all federally supported extension and continuing education programs, including community service programs, make recommendations with respect thereto, and make annual reports commencing on March 31, 1967, of its findings and recommendations (including recommendations for changes in the provisions of this title and other Federal laws relating to extension and continuing education activities) to the Secretary and to the President. The President shall transmit each such report to the Congress together with his comments and recommendations.

"(d) Members of the Advisory Council who are not regular full-time employees of the United States shall, while serving on the business of the Council, be entitled to receive compensation at rates fixed by the Secretary, but not exceeding \$100 per day, including travel time; and, while so serving away from their homes or regular places of business, members may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b-2) for persons in the Government service employed intermittently.

"(e) The Secretary shall engage such technical assistance as may be required to carry out the functions of the Advisory Council, and the Secretary shall, in addition, make available to the Advisory Council such secretarial, clerical, and other assistance and such pertinent data prepared by the Department of Health, Education, and Welfare as it may require to carry out its functions.

"(f) In carrying out its functions pursuant to this section, the Advisory Council may utilize the services and facilities of any agency of the Federal Government, in accordance with agreements between the Secretary and the head of such agency.

"Relationship to Other Programs

"Sec. 110. Nothing in this title shall modify authorities under the Act of February 23,

1917 (Smith-Hughes Vocational Education Act), as amended (20 U.S.C. 11-15, 16-28); the Vocational Education Act of 1946, as amended (20 U.S.C. 15i-15m, 15o-15q, 15aa-15jj, and 15aaa-15ggg); the Vocational Education Act of 1963 (20 U.S.C. 35-35n); title VIII of the Housing Act of 1964 (Public Law 88-560); or the Act of May 8, 1914 (Smith-Lever Act), as amended (7 U.S.C. 341-348).

"Limitation

"SEC. 111. No grant may be made under this title for any educational program, activity, or service related to sectarian instruction or religious worship, or provided by a school or department of divinity. For purposes of this section, the term 'school or department of divinity' means an institution or a department or branch of an institution whose program is specifically for the education of students to prepare them to become ministers of religion or to enter upon some other religious vocation, or to prepare them to teach theological subjects.

"TITLE II—COLLEGE LIBRARY ASSISTANCE AND LIBRARY TRAINING AND RESEARCH

"Part A—College library resources

"Appropriations Authorized

"SEC. 201. There are authorized to be appropriated \$50,000,000 for the fiscal year ending June 30, 1966, and for each of the two succeeding fiscal years, to enable the Commissioner to make grants under this part to institutions of higher education to assist and encourage such institutions in the acquisition for library purposes of books, periodicals, documents, magnetic tapes, phonograph records, audiovisual materials, and other related library materials (including necessary binding). For the fiscal year ending June 30, 1969, and the succeeding fiscal year, there may be appropriated, to enable the Commissioner to make such grants, only such sums as the Congress may hereafter authorize by law.

"Basic Grants

"SEC. 202. From 75 per centum of the sums appropriated pursuant to section 201 for any fiscal year, the Commissioner is authorized to make basic grants for the purposes set forth in that section to institutions of higher education and combinations of such institutions. The amount of a basic grant shall not exceed \$5,000 for each such institution of higher education and each branch of such institution which is located in a community different from that in which its parent institution is located, as determined in accordance with regulations of the Commissioner, and a basic grant under this subsection may be made only if the application therefor is approved by the Commissioner upon his determination that the application (whether by an individual institution or a combination of institutions)—

"(a) provides satisfactory assurance that the applicant will expend during the fiscal year for which the grant is requested (from funds other than funds received under this part) for all library purposes (exclusive of construction) (1) an amount not less than the average annual amount it expended for such purposes during the two-year period ending June 30, 1965, and (2) an amount (from such other sources) equal to not less than the amount of such grant;

"(b) provides satisfactory assurance that the applicant will expend during the fiscal year for which the grant is requested (from funds other than funds received under this part) for books, periodicals, documents, magnetic tapes, phonograph records, audiovisual materials, and other related materials (including necessary binding) for library purposes an amount not less than the average annual amount it expended for such materials during the two-year period ending June 30, 1965;

"(c) provides for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the applicant under this section; and

"(d) provides for making such reports, in such form and containing such information, as the Commissioner may require to carry out his functions under this section, and for keeping such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports.

"Supplemental Grants

"SEC. 203. (a) From the remainder of such 75 per centum of the sums appropriated pursuant to section 201 for any fiscal year, plus any part of such sums as the Commissioner determines will not be used for making grants under section 204, the Commissioner is authorized to make supplemental grants for the purposes set forth in section 201 to institutions of higher education and combinations of such institutions. The amount of a supplemental grant shall not exceed \$10 for each full-time student (including the full-time equivalent of the number of part-time students) enrolled in each such institution, as determined pursuant to regulations of the Commissioner. A supplemental grant may be made only upon application therefor, in such form and containing such information as the Commissioner may require, which application shall—

"(1) meet the application requirements set forth in section 202 except for the matching requirement set forth in paragraph (a) (2) of that section;

"(2) describe the size and quality of the library resources of the applicant in relation to its present enrollment and any expected increase in its enrollment;

"(3) set forth any special circumstances which are impeding or will impede the proper development of its library resources; and

"(4) provide a general description of how a supplemental grant would be used to improve the size or quality of its library resources.

"(b) The Commissioner shall approve applications for supplemental grants on the basis of basic criteria prescribed in regulations and developed after consultation with the Council created under section 205. Such basic criteria shall be such as will best tend to achieve the objectives of this part and they (1) may take into consideration factors such as the size and age of the library collection and student enrollment, and (2) shall give priority to institutions in need of financial assistance for library purposes.

"Special Purpose Grants

"SEC. 204. (a) (1) Twenty-five per centum of the sums appropriated pursuant to section 201 for each fiscal year shall be used by the Commissioner in accordance with this subsection.

"(2) Of the sums available for use under paragraph (1) sixty per centum may be used to make special grants (A) to institutions of higher education which demonstrate a special need for additional library resources and which demonstrate that such additional library resources will make a substantial contribution to the quality of their educational resources, (B) to institutions of higher education to meet special national or regional needs in the library and information sciences, and (C) to combinations of institutions of higher education which need special assistance in establishing and strengthening joint-use facilities. Grants under this section may be used only for books, periodicals, documents, magnetic tapes, phonograph records, audiovisual materials, and other related library materials (including necessary binding).

"(3) Any sums available for use under

paragraph (1) which are not used for the purposes of paragraph (2) shall be used in the manner prescribed by the first sentence of section 203(a).

"(b) Grants pursuant to paragraph (2) shall be made upon application providing satisfactory assurance that (1) the applicant (or applicants jointly in the case of a combination of institutions) will expend during the fiscal year for which the grant is requested (from funds other than funds received under this part) for the same purpose as such grant an amount from such other sources equal to not less than 33⅓ per centum of such grant, and (2) in addition each such applicant will expend during such fiscal year (from such other sources) for all library purposes (exclusive of construction) an amount not less than the average annual amount it expended for such purposes during the two-year period ending June 30, 1965.

"Advisory Council on College Library Resources

"SEC. 205. (a) The Commissioner shall establish in the Office of Education an Advisory Council on College Library Resources consisting of the Commissioner, who shall be Chairman, and eight members appointed, without regard to the civil service laws, by the Commissioner with the approval of the Secretary.

"(b) The Advisory Council shall advise the Commissioner with respect to establishing criteria for the making of supplemental grants under section 203 and the making of special purpose grants under section 204. The Commissioner may appoint such special advisory and technical experts and consultants as may be useful in carrying out the functions of the Advisory Council.

"(c) Members of the Advisory Council, while serving on business of the Advisory Council, shall receive compensation at a rate to be fixed by the Secretary, but not exceeding \$100 per day, including travel time; and, while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b-2) for persons in the Government service employed intermittently.

"Accreditation Requirement for Purposes of This Part

"SEC. 206. For the purposes of this part, an educational institution shall be deemed to have been accredited by a nationally recognized accrediting agency or association if the Commissioner determines that there is satisfactory assurance that upon acquisition of the library resources with respect to which assistance under this part is sought, or upon acquisition of those resources and other library resources planned to be acquired within a reasonable time, the institution will meet the accreditation standards of such agency or association.

"Limitation

"SEC. 207. No grant may be made under this part for books, periodicals, documents, or other related materials to be used for sectarian instruction or religious worship, or primarily in connection with any part of the program of a school or department of divinity. For purposes of this section, the term 'school or department of divinity' means an institution or a department or branch of an institution whose program is specifically for the education of students to prepare them to become ministers of religion or to enter upon some other religious vocation, or to prepare them to teach theological subjects.

"Consultation With State Agency

"SEC. 208. Each institution of higher education which receives a grant under this part shall periodically inform the State agency (if any) concerned with the educational ac-

tivities of all institutions of higher education in the State in which such institution is located, of its activities under this part.

"Part B—Library training and research

"Appropriations Authorized

"Sec. 221. There are authorized to be appropriated \$15,000,000 for the fiscal year ending June 30, 1966, and for each of the two succeeding fiscal years, for the purpose of carrying out this part. For the fiscal year ending June 30, 1969, and the succeeding fiscal year, there may be appropriated for such purpose only such sums as the Congress may hereafter authorize by law.

"Definition of 'Librarianship'

"Sec. 222. For the purposes of this part the term 'librarianship' means the principles and practices of the library and information sciences, including the acquisition, organization, storage, retrieval, and dissemination of information, and reference and research use of library and other information resources.

"Grants for Training in Librarianship

"Sec. 223. (a) The Commissioner is authorized to make grants to institutions of higher education to assist them in training persons in librarianship. Such grants may be used by such institutions to assist in covering the cost of courses of training or study for such persons, and for establishing and maintaining fellowships or traineeships with stipends (including allowances for traveling, subsistence, and other expenses) for fellows and others undergoing training and their dependents not in excess of such maximum amounts as may be prescribed by the Commissioner.

"(b) The Commissioner may make a grant to an institution of higher education only upon application by the institution and only upon his finding that such program will substantially further the objective of increasing the opportunities throughout the Nation for training in librarianship.

"Research and Demonstrations Relating to Libraries and the Training of Library Personnel

"Sec. 224. (a) The Commissioner is authorized to make grants to institutions of higher education and other public or private agencies, institutions, and organizations, for research and demonstration projects relating to the improvement of libraries or the improvement of training in librarianship, including the development of new techniques, systems, and equipment for processing, storing, and distributing information, and for the dissemination of information derived from such research and demonstrations, and, without regard to section 3709 of the Revised Statutes (41 U.S.C. 5), to provide by contracts with them for the conduct of such activities; except that no such grant may be made to a private agency, organization, or institution other than a nonprofit one.

"(b) The Commissioner is authorized to appoint a special advisory committee of not more than nine members to advise him on matters of general policy concerning research and demonstration projects relating to the improvement of libraries and the improvement of training in librarianship, or concerning special services necessary thereto or special problems involved therein.

"(c) Members of the committee appointed under this section who are not regular full-time employees of the United States shall, while serving on the business of the committee, be entitled to receive compensation at rates fixed by the Commissioner, but not in excess of \$100 per diem, including travel time; and they may, while so serving away from their homes or regular places of business, be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b-2) for persons in

the Government service employed intermittently.

"Repealer

"Sec. 225. Effective July 1, 1967, section 1101 of the National Defense Education Act of 1958 is amended by adding the word 'or' at the end of clause (2), by striking out clause (3), and by renumbering clause (4) as clause (3).

"Part C—Strengthening college and research library resources

"Appropriations Authorized

"Sec. 231. There are hereby authorized to be appropriated \$5,000,000 for the fiscal year ending June 30, 1966, \$6,315,000 for the fiscal year ending June 30, 1967, and \$7,770,000 for the fiscal year ending June 30, 1968, to enable the Commissioner to transfer funds to the Librarian of Congress for the purpose of—

"(1) acquiring, so far as possible, all library materials currently published throughout the world which are of value to scholarship; and

"(2) providing catalog information for these materials promptly after receipt, and distributing bibliographic information by printing catalog cards and by other means, and enabling the Librarian of Congress to use for exchange and other purposes such of these materials as are not needed for its own collections.

"For the fiscal year ending June 30, 1969, and the succeeding fiscal year, there may be appropriated, to enable the Commissioner to transfer funds to the Librarian of Congress for such purpose, only such sums as the Congress may hereafter authorize by law.

"TITLE III—STRENGTHENING DEVELOPING INSTITUTIONS

"Statement of Purpose and Appropriations Authorized

"Sec. 301. (a) The purpose of this title is to assist in raising the academic quality of colleges which have the desire and potential to make a substantial contribution to the higher education resources of our Nation but which for financial and other reasons are struggling for survival and are isolated from the main currents of academic life, and to do so by enabling the Commissioner to establish a national teaching fellow program and to encourage and assist in the establishment of cooperative arrangements under which these colleges may draw on the talent and experience of our finest colleges and universities, and on the educational resources of business and industry, in their effort to improve their academic quality.

"(b) (1) There is authorized to be appropriated the sum of \$55,000,000 for the fiscal year ending June 30, 1966, to carry out the provisions of this title.

"(2) Of the sums appropriated pursuant to this section for any fiscal year, 78 per centum shall be available only for carrying out the provisions of this title with respect to developing institutions which plan to award one or more bachelor's degrees during such year.

"(3) The remainder of the sums so appropriated shall be available only for carrying out the provisions of this title with respect to developing institutions which do not plan to award such a degree during such year.

"Definition of 'Developing Institution'

"Sec. 302. As used in this title the term 'developing institution' means a public or nonprofit educational institution in any State which—

"(a) admits as regular students only persons having a certificate of graduation from a secondary school, or the recognized equivalent of such certificate;

"(b) is legally authorized to provide, and provides within the State, an educational program for which it awards a bachelor's degree, or provides not less than a two-year

program which is acceptable for full credit toward such a degree, or offers a two-year program in engineering, mathematics, or the physical or biological sciences which is designed to prepare the student to work as a technician and at a semiprofessional level in engineering, scientific, or other technological fields which require the understanding and application of basic engineering, scientific, or mathematical principles of knowledge;

"(c) is accredited by a nationally recognized accrediting agency or association determined by the Commissioner to be reliable authority as to the quality of training offered or is, according to such an agency or association, making reasonable progress toward accreditation;

"(d) has met the requirements of clauses (a) and (b) during the five academic years preceding the academic year for which it seeks assistance under this title;

"(e) is making a reasonable effort to improve the quality of its teaching and administrative staffs and of its student services;

"(f) is, for financial or other reasons, struggling for survival and is isolated from the main currents of academic life;

"(g) meets such other requirements as the Commissioner may prescribe by regulation; and

"(h) is not an institution, or department or branch of an institution, whose program is specifically for the education of students to prepare them to become ministers of religion or to enter upon some other religious vocation or to prepare them to teach theological subjects.

"Advisory Council on Developing Institutions

"Sec. 303. (a) The Commissioner shall establish in the Office of Education an Advisory Council on Developing Institutions (hereinafter in this title referred to as the 'Council'), consisting of the Commissioner who shall be Chairman, one representative each of such Federal agencies having responsibilities with respect to developing institutions as the Commissioner may designate, and eight members appointed, without regard to the civil service laws, by the Commissioner with the approval of the Secretary.

"(b) The Council shall advise the Commissioner with respect to policy matters arising in the administration of this title and in particular shall assist the Commissioner in identifying those developing institutions through which the purposes of this title can best be achieved and in establishing priorities for use in approving applications under this title. The Commissioner may appoint such special advisory and technical experts and consultants as may be useful in carrying out the functions of the Council.

"(c) Members of the Council who are not otherwise full-time employees of the United States shall, while serving on business of the Council, receive compensation at a rate to be fixed by the Secretary, but not exceeding \$100 per day, including travel time; and, while so serving away from their homes or regular places of business, members may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b-2) for persons in the Government service employed intermittently.

"Grants for Cooperative Agreements to Strengthen Developing Institutions

"Sec. 304. (a) The Commissioner is authorized to make grants to developing institutions and other colleges and universities to pay part of the cost of planning, developing, and carrying out cooperative arrangements which show promise as effective measures for strengthening the academic programs and the administration of developing institutions. Such cooperative arrangements may be between developing institutions, between

developing institutions and other colleges and universities, and between developing institutions and organizations, agencies, and business entities. Grants under this section may be used for projects and activities such as—

"(1) exchange of faculty or students, including arrangements for bringing visiting scholars to developing institutions;

"(2) faculty and administration improvement programs utilizing training, education (including fellowships leading to advanced degrees), internships, research participation, and other means;

"(3) introduction of new curriculums and curricular materials;

"(4) development and operation of cooperative education programs involving alternate periods of academic study and business or public employment;

"(5) joint use of facilities such as libraries or laboratories, including necessary books, materials, and equipment; and

"(6) other arrangements which offer promise of strengthening the academic programs and the administration of developing institutions.

"(b) A grant may be made under this section only upon application to the Commissioner at such time or times and containing such information as he deems necessary. The Commissioner shall not approve an application unless it—

"(1) sets forth a program for carrying out one or more projects or activities which meet the requirements of subsection (a) and provides for such methods of administration as are necessary for the proper and efficient operation of the program;

"(2) sets forth policies and procedures which assure that Federal funds made available under this section for any fiscal year will be so used as to supplement and, to the extent practical, increase the level of funds that would, in the absence of such Federal funds, be made available for purposes which meet the requirements of subsection (a), and in no case supplant such funds;

"(3) provides for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the applicant under this section; and

"(4) provides for making such reports, in such form and containing such information, as the Commissioner may require to carry out his functions under this title, and for keeping such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports.

"(c) The Commissioner shall, after consultation with the Council, establish criteria as to eligible expenditures for which grants made under this section may be used, which criteria shall be so designed as to prevent the use of such grants for expenditures not necessary to the achievement of the purposes of this title.

"National Teaching Fellowships

"SEC. 305. (a) The Commissioner is authorized to award fellowships under this section to highly qualified graduate students and junior members of the faculty of colleges and universities, to encourage such individuals to teach at developing institutions. The Commissioner shall award fellowships to individuals for teaching at developing institutions only upon application by an institution approved for this purpose by the Commissioner and only upon a finding by the Commissioner that the program of teaching set forth in the application is reasonable in the light of the qualifications of the teaching fellow and of the educational needs of the applicant.

"(b) Fellowships may be awarded under this section for such period of teaching as the Commissioner may determine, but such period shall not exceed two academic years.

Each person awarded a fellowship under the provisions of this section shall receive a stipend for each academic year of teaching of not more than \$6,500 as determined by the Commissioner upon the advice of the Council, plus an additional amount of \$400 for each such year on account of each of his dependents.

"TITLE IV—STUDENT ASSISTANCE

"Part A—Educational opportunity grants

"Statement of Purpose and Appropriations Authorized

"SEC. 401. (a) It is the purpose of this part to provide, through institutions of higher education, educational opportunity grants to assist in making available the benefits of higher education to qualified high school graduates of exceptional financial need, who for lack of financial means of their own or of their families would be unable to obtain such benefits without such aid.

"(b) There are hereby authorized to be appropriated \$70,000,000 for the fiscal year ending June 30, 1966, and for each of the two succeeding fiscal years, to enable the Commissioner to make payments to institutions of higher education that have agreements with him entered into under section 407, for use by such institutions for payments to undergraduate students for the initial academic year of educational opportunity grants awarded to them under this part. For the fiscal year ending June 30, 1969, and for the succeeding fiscal year, there may be appropriated, to carry out the first sentence of this subsection, only such sums as the Congress may hereafter authorize by law. There are further authorized to be appropriated such sums as may be necessary for payment to such institutions for use by them for making educational opportunity grants under this part to undergraduate students for academic years other than the initial year of their educational opportunity grants; but no appropriation may be made pursuant to this sentence for any fiscal year beginning more than three years after the last fiscal year for which an appropriation is authorized under the first sentence. Sums appropriated pursuant to this subsection for any fiscal year shall be available for payment to institutions until the close of the fiscal year succeeding the fiscal year for which they were appropriated. For the purposes of this subsection, payment for the first year of an educational opportunity grant shall not be considered as an initial-year payment if the educational opportunity grant was awarded for the continuing education of a student who had been previously awarded an educational opportunity grant under this part (whether by another institution or otherwise) and had received payment for any year of that educational opportunity grant.

"Amount of Educational Opportunity Grant—Annual Determination

"SEC. 402. From the funds received by it for such purpose under this part, an institution of higher education which awards an educational opportunity grant to a student under this part shall, for the duration of the grant, pay to that student for each academic year during which he is in need of grant aid to pursue a course of study at the institution, an amount determined by the institution for such student with respect to that year, which amount shall not exceed—

"(1) the lesser of \$800 or one-half of the sum of the amount of student financial aid (including assistance under this title, but excluding assistance from work-study programs) provided such student by such institution and any assistance provided such student under any scholarship program established by a State or a private institution or organization, as determined in accordance with regulation of the Commissioner, or

"(2) in the case of a student who during the preceding academic year at an institution of higher education received grades placing him in the upper half of his class, the amount determined under paragraph (1), plus \$200.

"If the amount of the payment determined under the preceding sentence for an academic year is less than \$200 for a student, no payment shall be made under this title to that student for that year. The Commissioner shall, subject to the foregoing limitations, prescribe for the guidance of participating institutions basic criteria or schedules (or both) for the determination of the amount of any such educational opportunity grant, taking into account the objective of limiting grant aid under this part to students of exceptional financial need and such other factors, including the number of dependents in the family, as the Commissioner may deem relevant.

"Duration of Educational Opportunity Grant

"SEC. 403. The duration of an educational opportunity grant awarded under this part shall be the period required for completion by the recipient of his undergraduate course of study at the institution of higher education from which he received the educational opportunity grant, except that such period shall not exceed four academic years less any such period with respect to which the recipient has previously received payments under this part pursuant to a prior educational opportunity grant (whether made by the same or another institution). An educational opportunity grant awarded under this part shall entitle the recipient to payments only if he (1) is maintaining satisfactory progress in the course of study which he is pursuing, according to the regularly prescribed standards and practices of the institution from which he received the grant, and (2) is devoting essentially full time to that course of study, during the academic year, in attendance at that institution. Failure to be in attendance at the institution during vacation periods or periods of military service, or during other periods during which the Commissioner determines in accordance with regulations that there is good cause for his nonattendance (during which periods he shall receive no payments) shall not be deemed contrary to clause (2).

"Selection of Recipients of Educational Opportunity Grants

"SEC. 404. (a) An individual shall be eligible for the award of an educational opportunity grant under this part at any institution of higher education which has made an agreement with the Commissioner pursuant to section 407 (which institution is hereinafter in this part referred to as an 'eligible institution'), if the individual makes application at the time and in the manner prescribed by that institution.

"(b) From among those eligible for educational opportunity grants from an institution of higher education for each fiscal year, the institution shall, in accordance with the provisions of its agreement with the Commissioner under section 407 and within the amount allocated to the institution for that purpose for that year under section 406, select individuals who are to be awarded such grants and determine, pursuant to section 402, the amounts to be paid to them. An institution shall not award an educational opportunity grant to an individual unless it determines that—

"(1) he has been accepted for enrollment as a full-time student at such institution or, in the case of a student already attending such institution, is in good standing and in full-time attendance there as an undergraduate student;

"(2) he shows evidence of academic or creative promise and capability of maintaining good standing in his course of study;

"(3) he is of exceptional financial need; and

"(4) he would not, but for an educational opportunity grant, be financially able to pursue a course of study at such institution of higher education.

"Allotment of Educational Opportunity Grant Funds Among States

"SEC. 405. (a) (1) From the sums appropriated pursuant to the first sentence of section 401(b) for any fiscal year, the Commissioner shall allot to each State an amount which bears the same ratio to the amount so appropriated as the number of persons enrolled on a full-time basis in institutions of higher education in such State bears to the total number of persons enrolled on a full-time basis in institutions of higher education in all the States. The number of persons enrolled on a full-time basis in institutions of higher education for purposes of this section shall be determined by the Commissioner for the most recent year for which satisfactory data are available to him.

"(2) If the total of the sums determined by the Commissioner to be required under section 406 for any fiscal year for eligible institutions in a State is less than the amount of the allotment to that State under paragraph (1) for that year, the Commissioner may reallocate the remaining amount from time to time, on such date or dates as he may fix, to other States in such manner as he determines will best assist in achieving the purposes of this part.

"(b) Sums appropriated pursuant to the third sentence of section 401(b) for any fiscal year shall be allotted or reallocated among the States in such manner as the Commissioner determines to be necessary to carry out the purposes for which such sums are appropriated.

"Allocation of Allotted Funds to Institutions

"SEC. 406. (a) The Commissioner shall from time to time set dates by which eligible institutions in any State must file applications for allocation, to such institutions, of educational opportunity grant funds from the allotment to that State (including any reallocation thereto) for any fiscal year pursuant to section 405(a), to be used for the purposes specified in the first sentence of section 401(b). Such allocations shall be made in accordance with equitable criteria which the Commissioner shall establish and which shall be designed to achieve such distribution of such funds among eligible institutions within a State as will most effectively carry out the purposes of this part.

"(b) The Commissioner shall further, in accordance with regulations, allocate to eligible institutions, in any State, from funds apportioned or reapportioned pursuant to section 405(b), funds to be used for the educational opportunity grants specified in the third sentence of section 401(b).

"(c) Payment shall be made from allocations under this section to institutions as needed.

"Agreements With Institutions—Conditions

"SEC. 407. (a) An institution of higher education which desires to obtain funds for educational opportunity grants under this part, shall enter into an agreement with the Commissioner. Such agreement shall—

"(1) provide that funds received by the institution under this part will be used by it only for the purposes specified in, and in accordance with, the provisions of this part;

"(2) provide that in determining whether an individual meets the requirements of section 404(b) (3) the institution will (A) consider the source of such individual's income and that of any individual or individuals upon whom the student relies primarily for support, and (B) make an appropriate review of the assets of the student and of such individuals;

"(3) provide that the institution, in cooperation with other institutions of higher education where appropriate, will make vigorous efforts to identify qualified youths of exceptional financial need and to encourage them to continue their education beyond secondary school through programs and activities such as—

"(A) establishing or strengthening close working relationships with secondary-school principals and guidance and counseling personnel with a view toward motivating students to complete secondary school and pursue post-secondary-school educational opportunities, and

"(B) making, to the extent feasible, conditional commitments for educational opportunity grants to qualified secondary school students with special emphasis on students enrolled in grade 11 or lower grades who show evidences of academic or creative promise;

"(4) provide assurance that the institution will continue to spend its own scholarship and student-aid program, from sources other than funds received under this part, not less than the average expenditure per year made for that purpose during the most recent period of three fiscal years preceding the effective date of the agreement;

"(5) include provisions designed to make educational opportunity grants under this part reasonably available (to the extent of available funds) to all eligible students in the institution in need thereof; and

"(6) include such other provisions as may be necessary to protect the financial interest of the United States and promote the purposes of this part.

"(b) (1) An institution, which has in effect an agreement for Federal capital contributions for a student loan fund pursuant to title II of the National Defense Education Act of 1958, may use, as an additional Federal capital contribution for the purposes of such loan fund, not to exceed 25 per centum of the funds paid to it for any fiscal year ending prior to July 1, 1970, for the purpose set forth in section 401(b). The requirement in section 204(2)(B) of such Act shall not apply to such a Federal capital contribution.

"(2) For the purpose of making payments from amounts appropriated pursuant to the third sentence of section 401(b), any institution electing for any fiscal year to use an amount of its payment as a Federal capital contribution pursuant to paragraph (1) shall be paid an equal amount for each of the succeeding three fiscal years from such amounts appropriated pursuant to such third sentence, if the amount so paid to the institution for each such year is used by such institution as such a Federal capital contribution.

"Contracts To Encourage Full Utilization of Educational Talent

"SEC. 408. (a) To assist in achieving the purposes of this part the Commissioner is authorized (without regard to section 3709 of the Revised Statutes (41 U.S.C. 5)), to enter into contracts, not to exceed \$100,000 per year, with State and local educational agencies and other public or nonprofit organizations and institutions for the purpose of—

"(1) identifying qualified youths of exceptional financial need and encouraging them to complete secondary school and undertake postsecondary educational training.

"(2) publicizing existing forms of student financial aid, including aid furnished under this part, or

"(3) encouraging secondary-school or college dropouts of demonstrated aptitude to re-enter educational programs, including post-secondary-school programs.

"(b) There are hereby authorized to be appropriated such sums as may be necessary to carry out this section.

"Definition of 'Academic Year'

"SEC. 409. As used in this part, the term 'academic year' means an academic year or its equivalent as defined in regulations of the Commissioner.

"Part B—Federal, State, and private programs of low-interest insured loans to students in institutions of higher education

"Statement of Purpose and Appropriations Authorized

"SEC. 421. (a) The purpose of this part is to enable the Commissioner (1) to encourage States and nonprofit private institutions and organizations to establish adequate loan insurance programs for students in eligible institutions (as defined in section 435), (2) to provide a Federal program of student loan insurance for students who do not have reasonable access to a State or private nonprofit program of student loan insurance covered by an agreement under section 428(b), and (3) to pay a portion of the interest on loans to qualified students which are made by a State under a direct loan program meeting the requirements of section 428(a) (1) (B), or which are insured under this part or under a program of a State or of a nonprofit private institution or organization which meets the requirements of section 428(a) (1) (C).

"(b) For the purpose of carrying out this part—

"(1) there are authorized to be appropriated to the student loan insurance fund (established by section 431) (A) the sum of \$1,000,000, and (B) such further sums, if any, as may become necessary for the adequacy of the student loan insurance fund,

"(2) there are authorized to be appropriated, for payments under section 428 with respect to interest on student loans, such sums for the fiscal year ending June 30, 1966, and succeeding fiscal years, as may be required therefor, and

"(3) there is authorized to be appropriated the sum of \$17,500,000 for making advances pursuant to section 422 for the reserve funds of State and nonprofit private student loan insurance programs.

"Sums appropriated under clauses (1) and (2) of this subsection shall remain available until expended, and sums appropriated under clause (3) of this subsection shall remain available for advances under section 422 until the close of the fiscal year ending June 30, 1968.

"Advances for Reserve Funds of State and Nonprofit Private Loan Insurance Programs

"SEC. 422. (a) (1) From the sums appropriated pursuant to clause (3) of section 421(b), the Commissioner is authorized to make advances to any State with which he has made an agreement pursuant to section 428(b) for the purpose of helping to establish or strengthen the reserve fund of the student loan insurance program covered by that agreement. If for any of the fiscal years ending June 30, 1966, June 30, 1967, or June 30, 1968, a State does not have a student loan insurance program covered by an agreement made pursuant to section 428(b), and the Commissioner determines after consultation with the chief executive officer of that State that there is no reasonable likelihood that the State will have such a student loan insurance program for such year, the Commissioner may make advances for such year for the same purpose to one or more nonprofit private institutions or organizations with which he has made an agreement pursuant to section 428(b) in order to enable students in that State to participate in a program of student loan insurance covered by such an agreement. The Commissioner may make advances under this subsection both to a State program (with which he has such an agreement) and to one or more non-

profit private institutions or organizations (with which he has such an agreement) in that State if he determines that such advances are necessary in order that students in each eligible institution have access through such institution to a student loan insurance program which meets the requirements of section 428(b)(1).

"(2) Advances pursuant to this subsection shall be upon such terms and conditions (including conditions relating to the time or times of payment) consistent with the requirements of section 428(b) as the Commissioner determines will best carry out the purposes of this section. Advances made by the Commissioner under this subsection shall be repaid within such period as the Commissioner may deem to be appropriate in each case in the light of the maturity and solvency of the reserve fund for which the advance was made.

"(b) The total of the advances to any State pursuant to subsection (a) may not exceed an amount which bears the same ratio to $2\frac{1}{2}$ per centum of \$700,000,000 as the population of that State aged eighteen to twenty-two, inclusive, bears to the total population of all the States aged eighteen to twenty-two, inclusive. If the amount so determined for any State, however, is less than \$25,000, it shall be increased to \$25,000 and the total of the increases thereby required shall be derived by proportionately reducing (but not below \$25,000) the amount so determined for each of the remaining States. Advances to nonprofit private institutions and organizations pursuant to subsection (a) may be in such amounts as the Commissioner determines will best achieve the purposes for which they are made, except that the sum of (1) advances to such institutions and organizations for the benefit of students in any State plus (2) the amounts advanced to such State, may not exceed the maximum amount which may be advanced to that State pursuant to the first two sentences of this subsection. For the purposes of this subsection, the population aged eighteen to twenty-two, inclusive, of each State and of all the States shall be determined by the Commissioner on the basis of the most recent satisfactory data available to him.

"Effect of Adequate Non-Federal Programs

"Sec. 423. The Commissioner shall not issue certificates of insurance under section 429 to lenders in a State if he determines that every eligible institution has reasonable access in that State to a State or private nonprofit student loan insurance program which is covered by an agreement under section 428(b).

"Scope and Duration of Federal Loan Insurance Program

"Sec. 424. (a) The total principal amount of new loans made and installments paid pursuant to lines of credit (as defined in section 435) to students covered by Federal loan insurance under this part shall not exceed \$700,000,000 in the fiscal year ending June 30, 1966, \$1,000,000,000 in the fiscal year ending June 30, 1967, and \$1,400,000,000 in the fiscal year ending June 30, 1968. Thereafter, Federal loan insurance pursuant to this part may be granted only for loans made (or for loan installments paid pursuant to lines of credit) to enable students, who have obtained prior loans insured under this part, to continue or complete their educational program; but no insurance may be granted for any loan made or installment paid after June 30, 1972.

"(b) The Commissioner may, if he finds it necessary to do so in order to assure an equitable distribution of the benefits of this part, assign, within the maximum amounts specified in subsection (a), Federal loan insurance quotas applicable to eligible lenders, or to States or areas, and may from time to time reassign unused portions of these quotas.

"Limitations on Individual Federally Insured Loans and on Federal Loan Insurance

"Sec. 425. (a) (1) The total of the loans made to a student in any academic year or its equivalent (as determined under regulations of the Commissioner) which may be covered by Federal loan insurance under this part may not exceed \$1,500 in the case of a graduate or professional student (as defined in regulations of the Commissioner), or \$1,000 in the case of any other student. The aggregate insured unpaid principal amount of all such insured loans made to any student shall not at any time exceed \$7,500 in the case of any graduate or professional student (as defined in regulations of the Commissioner), and including any such insured loans made to such person before he became a graduate or professional student), or \$5,000 in the case of any other student. The annual insurable limit per student shall not be deemed to be exceeded by a line of credit under which actual payments by the lender to the borrower will not be made in any year in excess of the annual limit.

"(2) If in any academic year or its equivalent a student receives a loan which is insured by the Commissioner under this part, no loan to that student in that year may be made or insured by the Commissioner under the National Vocational Student Loan Insurance Act of 1965; and if in any academic year or its equivalent a student receives a loan which is made or insured by the Commissioner under the National Vocational Student Loan Insurance Act of 1965, no loan to that student in that year may be insured by the Commissioner under this part.

"(b) The insurance liability on any loan insured by the Commissioner under this part shall be 100 per centum of the unpaid balance of the principal amount of the loan. Such insurance liability shall not include liability for interest whether or not that interest has been added to the principal amount of the loan.

"Sources of Funds

"Sec. 426. Loans made by eligible lenders in accordance with this part shall be insurable by the Commissioner whether made from funds fully owned by the lender or from funds held by the lender in a trust or similar capacity and available for such loans.

"Eligibility of Student Borrowers and Terms of Student Loans

"Sec. 427. (a) A loan by an eligible lender shall be insurable by the Commissioner under the provisions of this part only if—

"(1) made to a student who (A) has been accepted for enrollment at an eligible institution or, in the case of a student already attending such institution, is in good standing there as determined by the institution, and (B) is carrying at least one-half of the normal full-time workload as determined by the institution, and (C) has provided the lender with a statement of the institution which sets forth a schedule of the tuition and fees applicable to that student and its estimate of the cost of board and room for such a student; and

"(2) evidenced by a note or other written agreement which—

"(A) is made without security and without endorsement, except that if the borrower is a minor and such note or other written agreement executed by him would not, under the applicable law, create a binding obligation, endorsement may be required,

"(B) provides for repayment (except as provided in subsection (c)) of the principal amount of the loan in installments over a period of not less than five years (unless sooner repaid) nor more than ten years beginning not earlier than nine months nor later than one year after the date on which the student ceases to carry at an eligible institution at least one-half the normal full-time academic workload as determined by the

institution, except (1) as provided in clause (C) below, (2) that the period of the loan may not exceed fifteen years from the execution of the note or written agreement evidencing it and (3) that the note or other written instrument may contain such provisions relating to repayment in the event of default in the payment of interest or in the payment of the cost of insurance premiums, or other default by the borrower, as may be authorized by regulations of the Commissioner in effect at the time the loan is made,

"(C) provides that periodic installments of principal need not be paid, but interest shall accrue and be paid, during any period (1) during which the borrower is pursuing a full-time course of study at an institution of higher education or at a comparable institution outside the States approved for this purpose by the Commissioner, (2) not in excess of three years, during which the borrower is a member of the Armed Forces of the United States, or (3) not in excess of three years during which the borrower is in service as a volunteer under the Peace Corps Act, and any such period shall not be included in determining the ten-year period or the fifteen-year period provided in clause (B) above,

"(D) provides for interest on the unpaid principal balance of the loan at a yearly rate, not exceeding the applicable maximum rate prescribed and defined by the Secretary (within the limits set forth in subsection (b)) on a national, regional, or other appropriate basis, which interest shall be payable in installments over the period of the loan except that, if provided in the note or other written agreement, any interest payable by the student may be deferred until not later than the date upon which repayment of the first installment of principal falls due, in which case interest that has so accrued during that period may be added on that date to the principal (but without thereby increasing the insurance liability under this part),

"(E) provides that the lender will not collect or attempt to collect from the borrower any portion of the interest on the note which is payable by the Commissioner under this part,

"(F) entitles the student borrower to accelerate without penalty repayment of the whole or any part of the loan, and

"(G) contains such other terms and conditions, consistent with the provisions of this part and with the regulations issued by the Commissioner pursuant to this part, as may be agreed upon by the parties to such loan, including, if agreed upon, a provision requiring the borrower to pay to the lender, in addition to principal and interest, amounts equal to the insurance premiums payable by the lender to the Commissioner with respect to such loan.

"(b) No maximum rate of interest prescribed and defined by the Secretary for the purposes of clause (2)(D) of subsection (a) may exceed 6 per centum per annum on the unpaid principal balance of the loan, except that under circumstances which threaten to impede the carrying out of the purposes of this part, one or more of such maximum rates of interest may be as high as 7 per centum per annum on the unpaid principal balance of the loan.

"(c) The total of the payments by a borrower during any year of any repayment period with respect to the aggregate amount of all loans to that borrower which are insured by the Commissioner under this part shall not be less than \$360 or the balance of all of such loans (together with interest thereon), whichever amount is less.

"Federal Payments To Reduce Student Interest Costs

"Sec. 428. (a) (1) Each student who has received a loan for study at an eligible institution—

"(A) which is insured by the Commissioner under this part;

"(B) which was made under a State student loan program (meeting criteria prescribed by the Commissioner), and which was contracted for, and paid to the student, within the period specified by paragraph (4); or

"(C) which is insured under a program of a State or of a nonprofit private institution or organization, which was contracted for, and paid to the student, within the period specified in paragraph (4), and which—

"(i) in the case of a loan insured prior to July 1, 1967, was made by an eligible lender and is insured under a program which meets the requirements of subparagraph (E) of subsection (b) (1) and provides that repayment of such loan shall be in installments beginning not earlier than sixty days after the student ceases to pursue a course of study (as described in subparagraph (D) of subsection (b) (1)) at an eligible institution, or

"(ii) in the case of a loan insured after June 30, 1967, is insured under a program covered by an agreement made pursuant to subsection (b),

"and whose adjusted family income is less than \$15,000 at the time of execution of the note or written agreement evidencing such loan, shall be entitled to have paid on his behalf and for his account to the holder of the loan, over the period of the loan, a portion of the interest on the loan. For the purposes of this paragraph, the adjusted family income of a student shall be determined pursuant to regulations of the Commissioner in effect at the time of the execution of the note or written agreement evidencing the loan. Such regulations shall provide for taking into account such factors, including family size, as the Commissioner deems appropriate. In the absence of fraud by the lender, such determination of the adjusted family income of a student shall be final insofar as it concerns the obligation of the Commissioner to pay the holder of a loan a portion of the interest on the loan.

"(2) The portion of the interest on a loan which a student is entitled to have paid on his behalf and for his account to the holder of the loan pursuant to paragraph (1) shall be equal to the total amount of the interest on the unpaid principal amount of the loan which accrues prior to the beginning of the repayment period of the loan, and 3 per centum per annum of the unpaid principal amount of the loan (excluding interest which has been added to principal) thereafter; but such portion of the interest on a loan shall not exceed, for any period, the amount of the interest on that loan which is payable by the student after taking into consideration the amount of any interest on that loan which the student is entitled to have paid on his behalf for that period under any State or private loan insurance program. The holder of a loan with respect to which payments are required to be made under this section shall be deemed to have a contractual right, as against the United States, to receive from the Commissioner the portion of interest which has been so determined. The Commissioner shall pay this portion of the interest to the holder of the loan on behalf of and for the account of the borrower at such times as may be specified in regulations in force when the applicable agreement entered into pursuant to subsection (b) was made, or if the loan was made by a State or is insured under a program which is not covered by such an agreement, at such times as may be specified in regulations in force at the time the loan was paid to the student.

"(3) Each holder of a loan with respect to which payments of interest are required to be made by the Commissioner shall submit to the Commissioner, at such time or times and in such manner as he may prescribe, state-

ments containing such information as may be required by or pursuant to regulation for the purpose of enabling the Commissioner to determine the amount of the payment which he must make with respect to that loan.

"(4) The period referred to in subparagraphs (B) and (C) of paragraph (1) of this subsection shall begin on the date of enactment of this Act and end at the close of June 30, 1968, except that, in the case of a loan made or insured under a student loan or loan insurance program to enable a student who has obtained a prior loan made or insured under such program to continue his educational program, such period shall end at the close of June 30, 1972.

"(5) No payment may be made under this section with respect to the interest on a loan made from a student loan fund established under title II of the National Defense Education Act of 1958.

"(6) In no event shall interest payments with respect to the same student loan be made under both this section and under section 9 of the National Vocational Student Loan Insurance Act of 1965.

"(b) (1) Any State or any nonprofit private institution or organization may enter into an agreement with the Commissioner for the purpose of entitling students who receive loans which are insured under a student loan insurance program of that State, institution, or organization to have made on their behalf the payments provided for in subsection (a) if the Commissioner determines that the student loan insurance program—

"(A) authorizes the insurance of not less than \$1,000 nor more than \$1,500 in loans to any individual student in any academic year or its equivalent (as determined under regulations of the Commissioner);

"(B) authorizes the insurance of loans to any individual student for at least six academic years of study or their equivalent (as determined under regulations of the Commissioner);

"(C) provides that (i) the student borrower shall be entitled to accelerate without penalty the whole or any part of an insured loan, (ii) the period of any insured loan may not exceed fifteen years from the date of execution of the note or other written evidence of the loan, and (iii) the note or other written evidence of any loan may contain such provisions relating to repayment in the event of default by the borrower as may be authorized by regulations of the Commissioner in effect at the time such note or written evidence was executed;

"(D) subject to subparagraph (C), provides that, where the total of the insured loans to any student which are held by any one person exceeds \$2,000, repayment of such loans shall be in installments over a period of not less than five years nor more than ten years beginning not earlier than nine months nor later than one year after the student ceases to pursue a full-time course of study at an eligible institution, except that if the program provides for the insurance of loans for part-time study at eligible institutions the program shall provide that such repayment period shall begin not earlier than nine months nor later than one year after the student ceases to carry at an eligible institution, at least one-half the normal full-time academic workload as determined by the institution.

"(E) authorizes interest on the unpaid balance of the loan at a yearly rate not in excess of 6 per centum per annum on the unpaid principal balance of the loan (exclusive of any premium for insurance which may be passed on to the borrower);

"(F) insures not less than 80 per centum of the unpaid principal of loans insured under the program;

"(G) does not provide for collection of an excessive insurance premium;

"(H) provides that the benefits of the loan insurance program will not be denied any student because of his family income or lack of need if his adjusted family income at the time the note or written agreement is executed is less than \$15,000 (as determined pursuant to the regulations of the Commissioner prescribed under section 428(a) (1));

"(I) provides that a student may obtain insurance under the program for a loan for any year of study at an eligible institution; and

"(J) in the case of a State program, provides that such State program is administered by a single State agency, or by one or more nonprofit private institutions or organizations under the supervision of a single State agency.

"(2) Such an agreement shall—

"(A) provide that the holder of any such loan will be required to submit to the Commissioner, at such time or times and in such manner as he may prescribe, statements containing such information as may be required by or pursuant to regulation for the purpose of enabling the Commissioner to determine the amount of the payment which he must make with respect to that loan;

"(B) include such other provisions as may be necessary to protect the financial interest of the United States and promote the purposes of this part and as are agreed to by the Commissioner and the State or nonprofit private organization or institution, as the case may be; and

"(C) provide for making such reports in such form and containing such information as the Commissioner may reasonably require to carry out his function under this part and for keeping such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports.

"Certificates of Federal Loan Insurance—
Effective Date of Insurance

"SEC. 429. (a) (1) If, upon application by an eligible lender, made upon such form, containing such information, and supported by such evidence as the Commissioner may require, and otherwise in conformity with this section, the Commissioner finds that the applicant has made a loan to an eligible student which is insurable under the provisions of this part, he may issue to the applicant a certificate of insurance covering the loan and setting forth the amount and terms of the insurance.

"(2) Insurance evidenced by a certificate of insurance pursuant to subsection (a) (1) shall become effective upon the date of issuance of the certificate, except that the Commissioner is authorized, in accordance with regulations, to issue commitments with respect to proposed loans, or with respect to lines (or proposed lines) of credit, submitted by eligible lenders, and in that event, upon compliance with subsection (a) (1) by the lender, the certificate of insurance may be issued effective as of the date when any loan, or any payment by the lender pursuant to a line of credit, to be covered by such insurance was made. Such insurance shall cease to be effective upon sixty days' default by the lender in the payment of any installment of the premiums payable pursuant to subsection (c).

"(3) An application submitted pursuant to subsection (a) (1) shall contain (A) an agreement by the applicant to pay, in accordance with regulations, the premiums fixed by the Commissioner pursuant to subsection (c), and (B) an agreement by the applicant that if the loan is covered by insurance the applicant will submit such supplementary reports and statements during the effective period of the loan agreement, upon such forms, at such times, and containing such information as the Commissioner may prescribe by or pursuant to regulation.

"(b) (1) In lieu of requiring a separate insurance application and issuing a separate certificate of insurance for each student loan made by an eligible lender as provided in subsection (a), the Commissioner may, in accordance with regulations consistent with section 424, issue to any eligible lender applying therefor a certificate of comprehensive insurance coverage which shall, without further action by the Commissioner, insure all insurable loans made by that lender, on or after the date of the certificate and before a specified cutoff date, within the limits of an aggregate maximum amount stated in the certificate. Such regulations may provide for conditioning such insurance, with respect to any loan, upon compliance by the lender with such requirements (to be stated or incorporated by reference in the certificate) as in the Commissioner's judgment will best achieve the purpose of this subsection while protecting the financial interest of the United States and promoting the objectives of this part, including (but not limited to) provisions as to the reporting of such loans and information relevant thereto to the Commissioner and as to the payment of initial and other premiums and the effect of default therein, and including provision for confirmation by the Commissioner from time to time (through endorsement of the certificate) of the coverage of specific new loans by such certificate, which confirmation shall be incontestable by the Commissioner in the absence of fraud or misrepresentation of fact or patent error.

"(2) If the holder of a certificate of comprehensive insurance coverage issued under this subsection grants to a student a line of credit extending beyond the cutoff date specified in that certificate, loans or payments thereon made by the holder after that date pursuant to the line of credit shall not be deemed to be included in the coverage of that certificate except as may be specifically provided therein; but, subject to the limitations of section 424, the Commissioner may, in accordance with regulations, make commitments to insure such future loans or payments, and such commitments may be honored either as provided in subsection (a) or by inclusion of such insurance in comprehensive coverage under this subsection for the period or periods in which such future loans or payments are made.

"(c) The Commissioner shall, pursuant to regulations, charge for insurance on each loan under this part a premium in an amount not to exceed one-fourth of 1 per centum per year of the unpaid principal amount of such loan (excluding interest added to principal), payable in advance, at such times and in such manner as may be prescribed by the Commissioner. Such regulations may provide that such premium shall not be payable, or if paid shall be refundable, with respect to any period after default in the payment of principal or interest or after the borrower has died or becomes totally and permanently disabled, if (1) notice of such default or other event has been duly given, and (2) request for payment of the loss insured against has been made or the Commissioner has made such payment on his own motion pursuant to section 430(a).

"(d) The rights of an eligible lender arising under insurance evidenced by a certificate of insurance issued to it under this section may be assigned as security by such lender only to another eligible lender, and subject to regulation by the Commissioner.

"(e) The consolidation of the obligations of two or more federally-insured loans obtained by a student borrower in any fiscal year into a single obligation evidenced by a single instrument of indebtedness shall not affect the insurance by the United States. If the loans thus consolidated are covered by separate certificates of insurance issued

under subsection (a), the Commissioner may upon surrender of the original certificates issue a new certificate of insurance in accordance with that subsection upon the consolidated obligation; if they are covered by a single comprehensive certificate issued under subsection (b), the Commissioner may amend that certificate accordingly.

"Default, Death, or Disability of Student Under Federal Loan Insurance Program

"Sec. 430. (a) Upon default by the student borrower on any loan covered by Federal loan insurance pursuant to this part, or upon the death of the student borrower or a finding by the insurance beneficiary that the borrower has become totally and permanently disabled (as determined in accordance with regulations established by the Commissioner) before the loan has been repaid in full, and prior to the commencement of suit or other enforcement proceeding upon security for that loan, the insurance beneficiary shall promptly notify the Commissioner, and the Commissioner shall if requested (at that time or after further collection efforts) by the beneficiary, or may on his own motion, if the insurance is still in effect, pay to the beneficiary the amount of the loss sustained by the insured upon that loan as soon as that amount has been determined. The "amount of the loss" on any loan shall, for the purposes of this subsection and subsection (b), be deemed to be an amount equal to the unpaid balance of the principal amount of the loan (other than interest added to principal).

"(b) Upon payment by the Commissioner of the amount of the loss pursuant to subsection (a), the United States shall be subrogated to all of the rights of the holder of the obligation upon the insured loan and shall be entitled to an assignment of the note or other evidence of the insured loan by the insurance beneficiary. If the net recovery made by the Commissioner on a loan after deduction of the cost of that recovery (including reasonable administrative costs) exceeds the amount of the loss, the excess shall be paid over to the insured.

"(c) Nothing in this section or in this part shall be construed to preclude any forbearance for the benefit of the student borrower which may be agreed upon by the parties to the insured loan and approved by the Commissioner, or to preclude forbearance by the Commissioner in the enforcement of the insured obligation after payment on that insurance, or to require collection of the amount of any loan by the insurance beneficiary or by the Commissioner from the estate of a deceased borrower or from a borrower found by the insurance beneficiary to have become permanently and totally disabled.

"(d) Nothing in this section or in this part shall be construed to excuse the holder of a federally insured loan from exercising reasonable care and diligence in the making and collection of loans under the provisions of this part. If the Commissioner, after reasonable notice and opportunity for hearing to an eligible lender, finds that it has substantially failed to exercise such care and diligence or to make the reports and statements required under section 428(a)(3) and section 429(a)(3), or to pay the required Federal loan insurance premiums, he shall disqualify that lender from further Federal insurance on loans granted pursuant to this part until he is satisfied that its failure has ceased and finds that there is reasonable assurance that the lender will in the future exercise necessary care and diligence or comply with such requirements, as the case may be.

"(e) As used in this section—

"(1) the term 'insurance beneficiary' means the insured or its authorized assignee in accordance with section 429(d); and

"(2) the term 'default' includes only such defaults as have existed for (A) one hundred and twenty days in the case of a loan which is repayable in monthly installments, or (B) one hundred and eighty days in the case of a loan which is repayable in less frequent installments.

"Insurance Fund

"Sec. 431. (a) There is hereby established a student loan insurance fund (hereinafter in this section called the 'fund') which shall be available without fiscal year limitation to the Commissioner for making payments in connection with the default of loans insured by him under this part. All amounts received by the Commissioner as premium charges for insurance and as receipts, earnings, or proceeds derived from any claim or other assets acquired by the Commissioner in connection with his operations under this part, and any other moneys, property, or assets derived by the Commissioner from his operations in connection with this section, shall be deposited in the fund. All payments in connection with the default of loans insured by the Commissioner under this part shall be paid from the fund. Moneys in the fund not needed for current operations under this section may be invested in bonds or other obligations guaranteed as to principal and interest by the United States.

"(b) If at any time the moneys in the fund are insufficient to make payments in connection with the default of any loan insured by the Commissioner under this part, the Commissioner is authorized to issue to the Secretary of the Treasury notes or other obligations in such forms and denominations, bearing such maturities, and subject to such terms and conditions as may be prescribed by the Commissioner with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations issued hereunder and for that purpose he is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under that Act, as amended, are extended to include any purchases of such notes and obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this subsection. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States. Sums borrowed under this subsection shall be deposited in the fund and redemption of such notes and obligations shall be made by the Commissioner from such fund.

"Legal Powers and Responsibilities

"Sec. 432. (a) In the performance of, and with respect to, the functions, powers, and duties vested in him by this part, the Commissioner may—

"(1) prescribe such regulations as may be necessary to carry out the purposes of this part;

"(2) sue and be sued in any court of record of a State having general jurisdiction or in any district court of the United States, and such district courts shall have jurisdiction of civil actions arising under this part without regard to the amount in controversy, any action instituted under this subsection by or against the Commissioner shall survive notwithstanding any change in the

person occupying the office of Commissioner or any vacancy in that office; but no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against the Commissioner or property under his control, and nothing herein shall be construed to except litigation arising out of activities under this part from the application of sections 507(b) and 2679 of title 28 of the United States Code and of section 367 of the Revised Statutes (5 U.S.C. 316);

"(3) include in any contract for Federal loan insurance such terms, conditions, and covenants relating to repayment of principal and payment of interest, relating to his obligations and rights and to those of eligible lenders, and borrowers in case of default, and relating to such other matters as the Commissioner determines to be necessary to assure that the purposes of this part will be achieved; and any term, conditions, and covenant made pursuant to this clause or any other provisions of this part may be modified by the Commissioner if he determines that modification is necessary to protect the financial interest of the United States;

"(4) subject to the specific limitations in this part, consent to the modification, with respect to rate of interest, time of payment of any installment of principal and interest or any portion thereof, or any other provision of any note or other instrument evidencing a loan which has been insured by him under this part;

"(5) enforce, pay, or compromise, any claim on, or arising because of, any such insurance; and

"(6) enforce, pay, compromise, waive, or release any right, title, claim, lien, or demand, however acquired, including any equity or any right or redemption.

"(b) The Commissioner shall, with respect to the financial operations arising by reason of this part—

"(1) prepare annually and submit a budget program as provided for wholly owned Government corporations by the Government Corporation Control Act; and

"(2) maintain with respect to insurance under this part an integral set of accounts, which shall be audited annually by the General Accounting Office in accordance with principles and procedures applicable to commercial corporate transactions, as provided by section 105 of the Government Corporation Control Act, except that the transactions of the Commissioner, including the settlement of insurance claims and of claims for payments pursuant to section 428, and transactions related thereto and vouchers approved by the Commissioner in connection with such transactions, shall be final and conclusive upon all accounting and other officers of the Government.

"Advisory Council on Insured Loans to Students

"SEC. 433. (a) The Secretary shall establish in the Office of Education an Advisory Council on Insured Loans to Students, consisting of the Commissioner, who shall be Chairman, and eight members appointed, without regard to the civil service laws, by the Secretary. The membership of the Council shall include persons representing State loan insurance programs, private nonprofit loan insurance programs, financial and credit institutions, and institutions of higher education.

"(b) The Advisory Council shall advise the Commissioner with respect to policy matters arising in the administration of this part, including policies and procedures governing the making of advances under section 422 and the Federal payments to reduce student interest costs under section 428.

"(c) Members of the Advisory Council who are not regular full-time employees of the United States shall, while serving on the business of the Council, be entitled to receive compensation at rates fixed by the

Secretary, but not exceed \$100 per day, including travel time; and, while so serving away from their homes or regular places of business, members may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b-2) for persons in the Government service employed intermittently.

"Participation by Federal Credit Unions in Federal, State, and Private Student Loan Insurance Programs

"SEC. 434. Notwithstanding any other provision of law, Federal credit unions shall, pursuant to regulations of the Director of the Bureau of Federal Credit Unions, have power to make insured loans up to 10 per centum of their assets, to student members in accordance with the provisions of this part relating to federally insured loans, or in accordance with the provisions of any State or nonprofit private student loan insurance program which meets the requirements of section 428(a) (1) (C).

"Definitions for Reduced-Interest Student Loan Insurance Program

"SEC. 435. As used in this part:

"(a) The term 'eligible institution' means an educational institution in any State which (1) admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such certificate, (2) is legally authorized within such State to provide a program of education beyond secondary education, (3) provides an educational program for which it awards a bachelor's degree or provides not less than a two-year program which is acceptable for full credit toward such a degree, (4) is a public or other nonprofit institution, and (5) is accredited by a nationally recognized accrediting agency or association approved by the Commissioner for this purpose or, if not so accredited, (A) is an institution with respect to which the Commissioner has determined that there is satisfactory assurance, considering the resources available to the institution, the period of time, if any, during which it has operated, the effort it is making to meet accreditation standards, and the purpose for which this determination is being made, that the institution will meet the accreditation standards of such an agency or association within a reasonable time, or (B) is an institution whose credits are accepted on transfer by not less than three institutions which are so accredited, for credit on the same basis as if transferred from an institution so accredited. Such term also includes any public or other nonprofit collegiate or associate degree school of nursing and any school which provides not less than a one-year program of training to prepare students for gainful employment in a recognized occupation and which meets the provisions of clauses (1), (2), (4), and (5). If the Commissioner determines that a particular category of such schools does not meet the requirements of clause (5) because there is no nationally recognized accrediting agency or association qualified to accredit schools in such category, he shall, pending the establishment of such an accrediting agency or association, appoint an advisory committee, composed of persons specially qualified to evaluate training provided by schools in such category, which shall (i) prescribe the standards of content, scope, and quality which must be met in order to qualify schools in such category to participate in the program pursuant to this part, and (ii) determine whether particular schools not meeting the requirements of clause (5) meet those standards. For purposes of this subsection, the Commissioner shall publish a list of nationally recognized accrediting agencies or associations which he determines to be reliable authority as to the quality of training offered.

"(b) The term 'collegiate school of nursing' means a department, division, or other administrative unit in a college or university which provides primarily or exclusively an accredited program of education in professional nursing and allied subjects leading to the degree of bachelor of arts, bachelor of science, bachelor of nursing, or to an equivalent degree, or to a graduate degree in nursing.

"(c) The term 'associate degree school of nursing' means a department, division, or other administrative unit in a junior college, community college, college, or university which provides primarily or exclusively an accredited two-year program of education in professional nursing and allied subjects leading to an associate degree in nursing or to an equivalent degree.

"(d) The term 'accredited' when applied to any program of nurse education means a program accredited by a recognized body or bodies approved for such purpose by the Commissioner of Education.

"(e) The term 'eligible lender' means an eligible institution, an agency or instrumentality of a State, or a financial or credit institution (including an insurance company) which is subject to examination and supervision by an agency of the United States or of any State.

"(f) The term 'line of credit' means an arrangement or agreement between the lender and the borrower whereby a loan is paid out by the lender to the borrower in annual installments, or whereby the lender agrees to make, in addition to the initial loan, additional loans in subsequent years.

"Part C—College work-study program extension and amendments

"Transfer of Authority and Other Amendments

"SEC. 441. Parts C and D of title I of the Economic Opportunity Act of 1964 (Public Law 88-452) are amended as follows:

"(1) By striking out 'Director' in the first sentence of section 122(a) and inserting in lieu thereof 'Commissioner of Education (hereinafter in this part referred to as the 'Commissioner')', and by striking out 'Director' wherever that word appears in the other provisions of such part C and inserting in lieu thereof 'Commissioner';

"(2) By amending that part of section 121 that follows the section designation to read as follows: 'The purpose of this part is to stimulate and promote the part-time employment of students, particularly students from low-income families, in institutions of higher education who are in need of the earnings from such employment to pursue courses of study at such institutions.';

"(3) By striking out section 123 and inserting in lieu thereof the following:

"Grants for Work-Study Programs

"SEC. 123. (a) The Commissioner is authorized to enter into agreements with institutions of higher education under which the Commissioner will make grants to such institutions to assist in the operation of work-study programs as hereinafter provided.

"(b) For the purposes of this part—

"(1) The term 'institution of higher education' means an educational institution in any State which (A) admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such certificate, (B) is legally authorized within such State to provide a program of education beyond secondary education, (C) provides an educational program for which it awards a bachelor's degree or provides not less than a two-year program which is acceptable for full credit toward such a degree, (D) is a public or other nonprofit institution, and (E) is accredited by a nationally recognized accrediting agency or association approved by the Commissioner

for this purpose or, if not so accredited, (1) is an institution with respect to which the Commissioner has determined that there is satisfactory assurance, considering the resources available to the institution, the period of time, if any, during which it has operated, the effort it is making to meet accreditation standards, and the purpose for which this determination is being made, that the institution will meet the accreditation standards of such an agency or association within a reasonable time, or (ii) is an institution whose credits are accepted on transfer by not less than three institutions which are so accredited, for credit on the same basis as if transferred from an institution so accredited. Such term also includes any public or other nonprofit collegiate or associate degree school of nursing and any school which provides not less than a one-year program of training to prepare students for gainful employment in a recognized occupation and which meets the provisions of clauses (A), (B), (D), and (E). If the Commissioner determines that a particular category of such schools does not meet the requirements of clause (E) because there is no nationally recognized accrediting agency or association qualified to accredit schools in such category, he shall, pending the establishment of such an accrediting agency or association, appoint an advisory committee, composed of persons specially qualified to evaluate training provided by schools in such category, which shall (I) prescribe the standards of content, scope, and quality which must be met in order to qualify schools in such category to participate in the program pursuant to this part, and (II) determine whether particular schools not meeting the requirements of clause (E) meet those standards. For purposes of this subsection, the Commissioner shall publish a list of nationally recognized accrediting agencies or associations which he determines to be reliable authority as to the quality of training offered.

"(2) The term 'collegiate school of nursing' means a department, division, or other administrative unit in a college or university which provides primarily or exclusively an accredited program of education in professional nursing and allied subjects leading to the degree of bachelor of arts, bachelor of science, bachelor of nursing, or to an equivalent degree, or to a graduate degree in nursing.

"(3) The term 'associate degree school of nursing' means a department, division, or other administrative unit in a junior college, community college, college, or university which provides primarily or exclusively an accredited two-year program of education in professional nursing and allied subjects leading to an associate degree in nursing or to an equivalent degree.

"(4) The term 'accredited' when applied to any program of nurse education means a program accredited by a recognized body or bodies approved for such purpose by the Commissioner."

"(4) By striking out section 124(a) and inserting in lieu thereof the following:

"(a) provide for the operation by the institution of a program for the part-time employment of its students in work for the institution itself or work in the public interest for a public or private nonprofit organization under an arrangement between the institution and such organization, and such work—

"(1) will not result in the displacement of employed workers or impair existing contracts for services,

"(2) will be governed by such conditions of employment as will be appropriate and reasonable in light of such factors as type of work performed, geographical region, and proficiency of the employee, and

"(3) does not involve the construction, operation, or maintenance of so much of any facility as is used or is to be used for sec-

ular instruction or as a place for religious worship;"

"(5) By redesignating clauses (2), (3), and (4), of paragraph (c) of section 124 as clauses (1), (2), and (3), and by striking out so much of such paragraph as precedes such redesignated clauses and inserting in lieu thereof the following: '(c) provide that in the selection of students for employment under such work-study program preference shall be given to students from low-income families and that employment under such work-study program shall be furnished only to a student who';

"(6) By inserting before the period at the end of section 125 a comma and the following: 'and such share may be paid to such student in the form of services and equipment (including tuition, room, board, and books) furnished by such institution', and

"(7) By striking out 'provided for in' in section 131 and inserting in lieu thereof 'for which he is responsible under'.

"Appropriations Authorized

"SEC. 442. There are authorized to be appropriated \$129,000,000 for the fiscal year ending June 30, 1966, \$165,000,000 for the fiscal year ending June 30, 1967, and \$200,000,000 for the fiscal year ending June 30, 1968, to carry out the purposes of part C of title I of the Economic Opportunity Act of 1964 (Public Law 88-452). Any sums which are appropriated for the fiscal year ending June 30, 1966, for the purpose of such part C pursuant to an authorization in the Economic Opportunity Act of 1964, or are allocated for such purpose from any appropriation for such year, shall be made available, to the extent unexpended on the date of enactment of this Act, to the Commissioner for carrying out such part C, and the total of such sums (including amounts expended prior to such date) shall be deducted from the authorization in this section for such year. Sixty million dollars of the authorization for title I of the Economic Opportunity Act of 1964 for the fiscal year ending June 30, 1966, as contained in section 131 of such Act, shall be only for the purpose of part C of such title. No provision in the Economic Opportunity Act of 1964 which authorizes the appropriation of funds to carry out that Act shall apply to such part C after June 30, 1966.

"Part D—Amendments to National Defense Education Act of 1958

"Definition of Institution of Higher Education

"SEC. 461. Section 103(b) of the National Defense Education Act of 1958 is amended to read as follows:

"(b) The term 'institution of higher education' means an educational institution in any State which (1) admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such certificate, (2) is legally authorized within such State to provide a program of education beyond secondary education, (3) provides an educational program for which it awards a bachelor's degree or provides not less than a two-year program which is acceptable for full credit toward such a degree, (4) is a public or other nonprofit institution, and (5) is accredited by a nationally recognized accrediting agency or association approved by the Commissioner for this purpose or, if not so accredited, (A) is an institution with respect to which the Commissioner has determined that there is satisfactory assurance, considering the resources available to the institution, the period of time, if any, during which it has operated, the effort it is making to meet accreditation standards, and the purpose for which this determination is being made, that the institution will meet the accreditation standards of such an agency or association within a reasonable

time, or (B) is an institution whose credits are accepted on transfer by not less than three institutions which are so accredited, for credit on the same basis as if transferred from an institution so accredited. For purposes of title II, such term includes any school of nursing as defined in subsection (1) of this section, and also includes any school which provides not less than a one-year program of training to prepare students for gainful employment in a recognized occupation and which meets the provisions of clauses (1), (2), (4), and (5). If the Commissioner determines that a particular category of such schools does not meet the requirements of clause (5) because there is no nationally recognized accrediting agency or association qualified to accredit schools in such category, he shall pending the establishment of such an accrediting agency or association, appoint an advisory committee, composed of persons specially qualified to evaluate training provided by schools in such category, which shall (i) prescribe the standards of content, scope, and quality which must be met in order to qualify schools in such category to participate in the student loan program under title II, and (ii) determine whether particular schools not meeting the requirements of clause (5) meet those standards. For purposes of this subsection, the Commissioner shall publish a list of nationally recognized accrediting agencies or associations which he determines to be reliable authority as to the quality of training offered.'

"Conditions of Agreements; Administrative Costs

"SEC. 462. Clause (3) of section 204 of the National Defense Education Act of 1958 is amended to read as follows:

"(3) provide that such student loan fund shall be used only for (A) loans to students in accordance with such agreement, (B) capital distributions as provided in this title, (C) routine expenses incurred by the institution in administering the student loan fund, except that the amount withdrawn from such student loan fund for such routine expenses by an institution in any fiscal year may not exceed either (1) one-half of such routine expenses as estimated for that year by the Commissioner with the advice of an advisory committee which the Commissioner is hereby authorized to appoint on an annual or such other basis as he may deem appropriate, or (ii) 1 per centum of the aggregate of the outstanding loans made from that fund as of the close of that year, whichever is the lesser, and (D) costs of litigation, and other collection costs agreed to by the Commissioner, arising in connection with the collection of any loan from the fund, interest on such loan, or charge assessed with respect to that loan pursuant to section 205(c)';

"Technical Amendments for Part-time Students

"SEC. 463. (a) The portion of section 205(b) (2) of the National Defense Education Act of 1958 which precedes clause (A) (ii) thereof is amended to read as follows:

"(2) such a loan shall be evidenced by a note or other written agreement which provides for repayment of the principal amount, together with interest thereon, in equal installments (or, if the borrower so requests, in graduated periodic installments determined in accordance with such schedules as may be approved by the Commissioner) payable quarterly, bimonthly, or monthly (at the option of the institution) over a period beginning nine months after the date on which the borrower ceases to carry, at an institution of higher education or at a comparable institution outside the States approved for this purpose by the Commissioner, at least one-half the normal full-time academic workload as determined by that institution, and ending ten years and nine months after such date, except that (A) interest shall not

accrue on any such loan, and installments need not be paid during any period (1) during which the borrower is carrying, at an institution of higher education or at a comparable institution outside the States approved for this purpose by the Commissioner, at least one-half the normal full-time academic workload as determined by the institution.

"(b) Clause (D) of such section 205(b) (2) is amended by striking out 'periodic', and by striking out 'part-time' and inserting in lieu thereof 'less than half-time'.

"(c) The amendments made by this section shall apply to a loan outstanding on the date of enactment of this Act only with the consent of the borrower and the institution which made the loan.

"Minimum Rate of Repayment

"SEC. 464. (a) Section 205(b) (2) of the National Defense Education Act of 1958 is further amended by striking out 'and' before '(E)' and by inserting at the end thereof before the semicolon, and (F) the institution may provide, in accordance with regulations of the Commissioner, that during the repayment period of the loan payments of principal and interest by the borrower with respect to all the outstanding loans made to him from loan funds established pursuant to this title shall be at a rate equal to not less than \$15 per month'.

"(b) The amendment made by this section shall be applicable only with respect to loans made after the date of enactment of this Act.

"Cancellation of Loans for Teachers

"SEC. 465. (a) Section 205(b) (3) of the National Defense Education Act of 1958 is amended—

"(1) by inserting 'total' before 'amount' and by striking out 'which was unpaid on the first day of such service';

"(2) by inserting 'or its equivalent (as determined under regulations of the Commissioner)' after 'academic year'; and

"(3) by inserting before the semicolon at the end thereof a comma and the following: 'except that (A) such rate shall be 15 per centum for each complete academic year or its equivalent (as determined under regulations of the Commissioner) of service as a full-time teacher in a public or other non-profit elementary or secondary school which is in the school district of a local educational agency which is eligible in such year for assistance pursuant to title II of Public Law 874, Eighty-first Congress, as amended, and which for purposes of this clause and for that year has been determined by the Commissioner, pursuant to regulations and after consultation with the State educational agency of the State in which the school is located, to be a school in which there is a high concentration of students from low-income families, except that the Commissioner shall not make such determination with respect to more than 25 per centum of the total of the public and other nonprofit elementary and secondary schools in any one State for any one year, and (B) for the purposes of any cancellation pursuant to clause (A), an additional 50 per centum of any such loan (plus interest) may be cancelled but nothing in this paragraph shall authorize refunding any payment'.

"(b) The amendments made by clauses (1) and (3) of subsection (a) shall apply with respect to service performed during academic years beginning after the date of enactment of this Act, whether the loan was made before or after such enactment. The amendment made by clause (2) of subsection (a) shall apply with respect to service performed during academic years beginning after the enactment of the National Defense Education Act Amendments, 1964, Public Law 88-665, whether or not the loan was made before or after such enactment.

"Charges

"SEC. 466. (a) Section 205 of the National Defense Education Act of 1958 is further amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

"(c) Pursuant to regulations of the Commissioner, an institution may assess a charge with respect to a loan from the loan fund established by the institution pursuant to this title for failure of the borrower to pay all or any part of an installment when it is due and, in the case of a borrower who is entitled to deferment benefits under section 205(b) (2) or cancellation benefits under section 205(b) (3), for any failure to file timely and satisfactory evidence of such entitlement. The amount of any such charge may not exceed—

"(1) in the case of a loan which is repayable in monthly installments, \$1 for the first month or part of a month by which such installment or evidence is late and \$2 for each such month or part of a month thereafter; and

"(2) in the case of a loan which has a bimonthly or quarterly repayment interval, \$3 and \$6, respectively, for each such interval or part thereof by which such installment or evidence is late.

"The institution may elect to add the amount of any such charge to the principal amount of the loan as of the first day after the day on which such installment or evidence was due, or to make the amount of the charge payable to the institution not later than the due date of the next installment after receipt by the borrower of notice of the assessment of the charge."

"(b) Clause (2) of section 204 of such Act is amended by striking out 'and (D)' and inserting in lieu thereof '(D) charges collected pursuant to section 205(c), and (E)'.

"(c) The amendment made by subsection (a) shall be applicable only with respect to loans made after the date of enactment of this Act.

"Economics, Civics, and Industrial Arts

"SEC. 467. (a) (1) Clauses (1) and (5) of section 303(a) of the National Defense Education Act of 1958 are each amended by inserting 'economics,' after 'geography,'

"(2) Section 301 of such Act is amended by striking out 'and \$90,000,000 for the fiscal year ending June 30, 1965, and for each of the three succeeding fiscal years' and inserting in lieu thereof '\$90,000,000 for the fiscal year ending June 30, 1965, and \$100,000,000 for the fiscal year ending June 30, 1966, and for each of the two succeeding fiscal year'.

"(b) Section 1101 of such Act is amended—

"(1) by striking out 'each of the three succeeding fiscal years' and inserting in lieu thereof '\$50,000,000 for the fiscal year ending June 30, 1966, and for each of the two succeeding fiscal year'; and

"(2) by inserting 'economics, civics, industrial arts,' after 'geography,'.

"TITLE V—TEACHER PROGRAMS

"Part A—General provisions

"Advisory Council on Quality Teacher Preparation

"SEC. 501. (a) The Commissioner shall establish in the Office of Education an Advisory Council on Quality Teacher Preparation for the purpose of reviewing the administration and operation of the programs carried out under this title and of all other Federal programs for complementary purposes. This review shall pay particular attention to the effectiveness of these programs in attracting, preparing, and retaining highly qualified elementary and secondary school teachers, and it shall include recommendations for improvement of these programs. The Council shall consist of the Commis-

sioner, who shall be Chairman, and twelve members appointed for staggered terms and without regard to the civil service laws, by the Commissioner with the approval of the Secretary. Such twelve members shall include persons knowledgeable with respect to teacher preparation and the needs of urban and rural schools, and representatives of the general public.

"(b) Members of such Advisory Council who are not regular full-time employees of the United States shall, while attending meetings or conferences of such Council or otherwise engaged on business of such Council, be entitled to receive compensation at a rate fixed by the Secretary, but not exceeding \$100 per diem, including travel time, and, while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b-2) for persons in the Government service employed intermittently.

"(c) The Council may appoint an Executive Secretary and such other employees as the Council deems necessary to carry out its functions under this title.

"Limitation

"SEC. 502. Nothing contained in this title shall be construed to authorize the making of any payment under this title for religious worship or instruction.

"Part B—National Teacher Corps

"Statement of Purpose and Authorization of Appropriations

"SEC. 511. (a) The purpose of this part is to strengthen the educational opportunities available to children in areas having concentrations of low-income families and to encourage colleges and universities to broaden their programs of teacher preparation by—

"(1) attracting and training qualified teachers who will be made available to local educational agencies for teaching in such areas; and

"(2) attracting and training inexperienced teacher-interns who will be made available for teaching and inservice training to local educational agencies in such areas in teams led by an experienced teacher.

"(b) For the purpose of carrying out this part, there are authorized to be appropriated \$36,100,000 for the fiscal year ending June 30, 1966, and \$64,715,000 for the fiscal year ending June 30, 1967.

"Establishment of National Teacher Corps

"SEC. 512. In order to carry out the purposes of this part, there is hereby established in the Office of Education a National Teacher Corps (hereinafter referred to as the 'Teacher Corps'). The Teacher Corps shall be headed by a Director who shall be compensated at the rate prescribed for grade 17 of the General Schedule of the Classification Act of 1949, and a Deputy Director who shall be compensated at the rate prescribed for grade 16 of such General Schedule. The Director and the Deputy Director shall perform such duties as are delegated to them by the Commissioner.

"Teacher Corps Program

"SEC. 513. (a) For the purpose of carrying out this part, the Commissioner is authorized to—

"(1) recruit, select, and enroll experienced teachers, and inexperienced teacher-interns who have a bachelor's degree or its equivalent, in the Teacher Corps for periods of up to two years;

"(2) enter into arrangements, through grants or contracts, with institutions of higher education or State or local educational agencies to provide members of the Teacher Corps with such training as the

Commissioner may deem appropriate to carry out the purposes of this part, including not more than three months of training for members before they undertake their teaching duties under this part;

"(3) enter into arrangements (including the payment of the cost of such arrangements) with local educational agencies, after consultation in appropriate cases with State educational agencies and institutions of higher education, to furnish to local educational agencies, for service during regular or summer sessions, or both, in the schools of such agencies in areas having concentrations of children from low-income families, either or both (A) experienced teachers, or (B) teaching teams, each of which shall consist of an experienced teacher and a number of teacher-interns who, in addition to teaching duties, shall be afforded time by the local educational agency for a teacher-intern training program developed according to criteria established by the Commissioner and carried out under the guidance of the experienced teacher in cooperation with an institution of higher education; and

"(4) pay to local educational agencies the amount of the compensation which such agencies pay to or on behalf of members of the Teacher Corps assigned to them pursuant to arrangements made pursuant to the preceding clause.

"(b) Arrangements with institutions of higher education to provide training for teacher-interns while teaching in schools for local educational agencies under the provisions of this part shall provide, wherever possible, for training leading to a graduate degree.

"(c)(1) Whenever the Commissioner determines that the demand for the services of experienced teachers or of teaching teams furnished pursuant to clause (3) of subsection (a) exceeds the number of experienced teachers or teaching teams available from the Teacher Corps, the Commissioner shall, to the extent practicable, allocate experienced teachers or teaching teams, as the case may be, from the Teacher Corps among the States in accordance with paragraph (2).

"(2) Not to exceed 2 per centum of such teachers or teams, as the case may be, shall be allocated to Puerto Rico, and the Virgin Islands according to their respective needs. The remainder of such teams or teachers, as the case may be, shall be allocated among the other States in proportion to the number of children counted in each State for the purpose of determining the amount of basic grants made under section 203 of title II of Public Law 874, Eighty-first Congress, as amended, for the fiscal year for which the allocation is made.

"(d) A local educational agency may utilize members of the Teachers Corps assigned to it in providing, in the manner described in section 205(a)(2) of Public Law 874, Eighty-first Congress, as amended, education services in which children enrolled in private elementary and secondary schools can participate.

"Compensation

"Sec. 514. (a) An arrangement made with a local educational agency pursuant to paragraph (3) of section 513(a) shall provide for compensation by such agency of Teacher Corps members during the period of their assignment to it at the following rates:

"(1) an experienced teacher who is not leading a teaching team shall be compensated at a rate which is equal to the rate paid by such agency for a teacher with similar training and experience who has been assigned similar teaching duties;

"(2) an experienced teacher who is leading a teaching team shall be compensated at a rate agreed to by such agency and the Commissioner; and

"(3) a teacher-intern shall be compensated at a rate which is equal to the lowest rate

paid by such agency for teaching full time in the school system and grade to which the intern is assigned.

"(b) For any period of training under this part the Commissioner shall pay to members of the Teacher Corps such stipends (including allowances for subsistence and other expenses for such members and their dependents) as he may determine to be consistent with prevailing practices under comparable federally supported training programs.

"(c) The Commissioner shall pay the necessary travel expenses of members of the Teachers Corps and their dependents and necessary expenses for the transportation of the household goods and personal effects of such members and their dependents, and such other necessary expenses of members as are directly related to their service in the Corps, including readjustment allowances proportionate to service.

"(d) The Commissioner is authorized to make such arrangements as may be possible, including the payment of any costs incident thereto, to protect the tenure, retirement rights, participation in a medical insurance program, and such other similar employee benefits as the Commissioner deems appropriate, of a member of the Teachers Corps who participates in any program under this part and who indicates his intention to return to the local educational agency or institution of higher education by which he was employed immediately prior to his service under this part.

"Application of Provisions of Federal Law

"Sec. 515. (a) Except as otherwise specifically provided in this section, a member of the Teacher Corps shall be deemed not to be a Federal employee and shall not be subject to the provisions of laws relating to Federal employment, including those relating to hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits.

"(b)(1) Such members shall, for the purposes of the administration of the Federal Employees' Compensation Act (5 U.S.C. 751 et seq.), be deemed to be civil employees of the United States within the meaning of the term 'employee' as defined in section 40 of such Act (5 U.S.C. 790) and the provisions thereof shall apply except as hereinafter provided.

"(2) For purposes of this subsection:

"(A) the term 'performance of duty' in the Federal Employees' Compensation Act shall not include any act of a member of the Teacher Corps—

"(i) while on authorized leave; or

"(ii) while absent from his assigned post of duty, except while participating in an activity authorized by or under the direction or supervision of the Commissioner; and

"(B) in computing compensation benefits for disability or death under the Federal Employees' Compensation Act, the monthly pay of a member of the Teacher Corps shall be deemed to be his actual pay or that received under the entrance salary for grade 6 of the General Schedule of the Classification Act of 1949, whichever is greater.

"(c) Such members shall be deemed to be employees of the Government for the purposes of the Federal tort claims provisions of title 28, United States Code.

"Local Control Preserved

"Sec. 516. Members of the Teacher Corps shall be under the direct supervision of the appropriate officials of the local educational agencies to which they are assigned. Except as otherwise provided in clause (3) of section 513(a), such agencies shall retain the authority to—

"(1) assign such members within their systems;

"(2) make transfers within their systems;

"(3) determine the subject matter to be taught;

"(4) determine the terms and continuance of the assignment of such members within their systems.

"Maintenance of Effort

"Sec. 517. No member of the Teacher Corps shall be furnished to any local educational agency under the provisions of this part if such agency will use such member to replace any teacher who is or would otherwise be employed by such agency.

"Part C—Fellowships for teachers

"Statement of Purpose

"Sec. 521. The Congress hereby declares it to be the policy of the United States to improve the quality of education offered by the elementary and secondary schools of the Nation by improving the quality of the education of persons who are pursuing or who plan to pursue a career in elementary and secondary education. The purpose of this part is to carry out this policy by awarding fellowships for graduate study at institutions of higher education and by developing or strengthening teacher education programs in institutions of higher education. For the purpose of this part the term "career in elementary and secondary education" means a career of teaching in elementary and secondary schools, a career of teaching, guiding, or supervising such teachers or persons who plan to become such teachers, or a career in fields which are directly related to teaching in elementary or secondary schools, such as library science, school social work, guidance and counseling, educational media, and special education for handicapped children.

"Fellowships Authorized

"Sec. 522. (a) The Commissioner is authorized to award not to exceed four thousand five hundred fellowships for the fiscal year ending June 30, 1966, ten thousand fellowships for the fiscal year ending June 30, 1967, and ten thousand fellowships for the fiscal year ending June 30, 1968. Fellowships awarded under the provisions of this part shall be for graduate study leading to an advanced degree other than a doctor of philosophy, or equivalent degree, for persons who are pursuing or plan to pursue a career in elementary and secondary education. Such fellowships shall be awarded as provided in sections 523 and 524 of this part and for such periods as the Commissioner may determine but not to exceed twenty-four months.

(b) In addition to the number of fellowships authorized to be awarded by subsection (a) of this section, the Commissioner is authorized to award fellowships equal to the number previously awarded during any fiscal year under this part but vacated prior to the end of the period for which they were awarded; except that each fellowship awarded under this subsection shall be for such period of study, not in excess of the remainder of the period for which the fellowship which it replaces was awarded, as the Commissioner may determine.

"Allocation of Fellowships

"Sec. 523. The Commissioner shall allocate fellowships under this part to institutions of higher education with programs approved under the provisions of section 524(a) for the use of individuals accepted into such programs, in such manner and according to such plan as will most nearly—

"(1) provide an equitable distribution of such fellowships throughout the States, except that to the extent he deems proper in the national interest after consultation with the Advisory Council on Quality Teacher Preparation the Commissioner may give preference to programs designed to meet an urgent national need, and

"(2) encourage experienced teachers in elementary or secondary schools and other experienced personnel in elementary or sec-

ondary education to enter graduate programs, attract recent college graduates to pursue a career in elementary and secondary education, and afford opportunities for college graduates engaged in other occupations or activities to pursue or return to a career in elementary and secondary education.

"Approval of Programs; Grants

"SEC. 524. (a) The Commissioner shall approve a graduate program of an institution of higher education only upon application by the institution and only upon his finding—

"(1) that such program will substantially further the objectives of improving the quality of education of persons who are pursuing or intend to pursue a career in elementary and secondary education,

"(2) that such program gives emphasis to high-quality substantive courses,

"(3) that such program is of high quality and either is in effect or readily attainable, and

"(4) that only persons who demonstrate a serious intent to pursue or to continue a career in elementary and secondary education will be accepted for study in the program.

"(b) or the purpose of obtaining an appropriate geographical distribution of high-quality programs for the training of personnel for elementary or secondary education, the Commissioner is authorized to make grants to and contracts with institutions of higher education to pay part of the cost of developing or strengthening graduate programs which meet the requirements of subsection (a).

"(c) The Commissioner may employ experts and consultants, as authorized by section 15 of the Administrative Expenses Act of 1946 (5 U.S.C. 55a), to advise him with respect to the making of grants and contracts and the approving of programs under this section, and he shall set forth in regulations the standards and priorities which will be utilized in approving such grants and contracts. Experts and consultants employed pursuant to this subsection may be compensated while so employed at rates not in excess of \$100 per diem, including travel time, and may be allowed while away from their homes or regular places of business, travel expenses (including per diem in lieu of subsistence) as authorized by section 5 of such Act (5 U.S.C. 73b-2) for persons in the Government service employed intermittently.

"Stipends

"SEC. 525. (a) The Commissioner shall pay to persons awarded fellowships under this part such stipends (including such allowances for subsistence and other expenses for such persons and their dependents) as he may determine to be consistent with prevailing practices under comparable federally supported programs.

"(b) In addition to the amounts paid to persons pursuant to subsection (a), the Commissioner shall pay to the institution of higher education at which such person is pursuing his course of study an amount equivalent to \$2,500 per academic year, less any amount charged such person for tuition and nonrefundable fees and deposits.

"Limitation

"SEC. 526. No fellowships shall be awarded under this part for study at a school or department of divinity. For the purposes of this section, the term 'school or department of divinity' means an institution or department or branch of an institution whose program is specifically for the education of students to prepare them to become ministers of religion or to enter upon some other religious vocation or to prepare them to teach theological subjects.

"Fellowship Conditions

"SEC. 527. A person awarded a fellowship under the provisions of this part shall con-

tinue to receive the payments provided in section 525(a) only during such periods as the Commissioner finds that he is maintaining satisfactory proficiency and devoting full time to study or research in the field in which such fellowship was awarded in an institution of higher education, and is not engaging in gainful employment other than such part-time employment in teaching, research, or similar activities related to his training as has been approved by the Commissioner.

"Appropriations

"SEC. 528. There are hereby authorized to be appropriated to carry out this part \$40,000,000 for the fiscal year ending June 30, 1966, \$160,000,000 for the fiscal year ending June 30, 1967, \$275,000,000 for the fiscal year ending June 30, 1968, and such sums for the two succeeding fiscal years as may be necessary to enable persons who have been awarded fellowships prior to July 1, 1968, to complete their study under the fellowships.

"TITLE VI—FINANCIAL ASSISTANCE FOR THE IMPROVEMENT OF UNDERGRADUATE INSTRUCTION

"Part A—Equipment

"Statement of Purpose and Authorization of Appropriations

"SEC. 601. (a) The purpose of this part is to improve the quality of classroom instruction in selected subject areas in institutions of higher education.

"(b) There are hereby authorized to be appropriated \$35,000,000 for the fiscal year ending June 30, 1966, \$50,000,000 for the fiscal year ending June 30, 1967, and \$60,000,000 for the fiscal year ending June 30, 1968, to enable the Commissioner to make grants to institutions of higher education pursuant to this part for the acquisition of equipment and for minor remodeling described in section 603(2)(A).

"(c) There are also authorized to be appropriated \$2,500,000 for the fiscal year ending June 30, 1966, and \$10,000,000 for the fiscal year ending June 30, 1967, and for the succeeding fiscal year, to enable the Commissioner to make grants to institutions of higher education pursuant to this part for the acquisition of television equipment and for minor remodeling described in section 603(2)(B).

"(d) There is also authorized to be appropriated a sum not exceeding \$1,000,000 for the fiscal year ending June 30, 1966, and for each of the two succeeding fiscal years, to enable the Commissioner to make grants in such amounts as he may consider necessary for the proper and efficient administration of the State plans approved under this part including expenses which he determines are necessary for the preparation of such plans.

"(e) For the fiscal year ending June 30, 1969, and for the succeeding fiscal year, there may be appropriated for the purposes set forth in subsections (b), (c), and (d) of this section, only such sums as the Congress may hereafter authorize by law.

"Allotments to States

"SEC. 602. (a) (1) Of the funds appropriated pursuant to subsections (b) and (c) of section 601 for any fiscal year one-half shall be allotted by the Commissioner among the States so that the allotment to each State will be an amount which bears the same ratio to such one-half as the number of students enrolled in institutions of higher education in such State bears to the total number of students enrolled in such institutions in all the States; and the remaining one-half shall be allotted by him among the States in accordance with paragraph (2) of this subsection. For the purposes of this subsection, (A) the number of students enrolled in institutions of higher education shall be deemed to be equal to the sum of (i) the number of full-time students and (ii) the full-time equivalent of the number of part-time students as determined by the Commissioner in accordance with regulations; and (B) de-

terminations as to enrollment shall be made by the Commissioner on the basis of data for the most recent year for which satisfactory data with respect to such enrollment are available to him.

"(2) For the purposes of this paragraph the Commissioner shall allot to each State for each fiscal year an amount which bears the same ratio to the funds being allotted pursuant to this paragraph as the product of—

"(A) the number of students enrolled in institutions of higher education in such State, and

"(B) the State's allotment ratio,

bears to the sum of the corresponding products for all the States. For the purposes of this paragraph the allotment ratio for any State shall be 1.00 less the product of (i) 0.50 and (ii) the quotient obtained by dividing the income per person for the State by the income per person for all the States (not including Puerto Rico, the Virgin Islands, American Samoa, and Guam), except that the allotment ratio shall in no case be less than 0.33 $\frac{1}{3}$ or more than 0.66 $\frac{2}{3}$, and the allotment ratio for Puerto Rico, the Virgin Islands, American Samoa, and Guam shall be 0.66 $\frac{2}{3}$. The allotment ratios shall be promulgated by the Commissioner as soon as possible after enactment of this Act, and annually thereafter, on the basis of the average of the incomes per person of the States and of all the States for the three most recent consecutive calendar years for which satisfactory data are available from the Department of Commerce.

"(b) (1) A State's allotment under subsection (a) from funds appropriated pursuant to section 601(b) shall be available in accordance with the provisions of this part for payment of the Federal share (as determined under section 604) of the cost of equipment and minor remodeling described in section 603(2)(A).

"(2) A State's allotment under subsection (a) from funds appropriated pursuant to section 601(c) shall be available in accordance with the provisions of this part for payment of the Federal share (as determined under section 604) of the cost of television equipment and minor remodeling described in section 603(2)(B).

"(c) Sums allotted to a State for the fiscal year ending June 30, 1966, shall remain available for reservation as provided in section 606 until the close of the next fiscal year, in addition to the sums allotted to such State for such next fiscal year. Sums allotted to a State for the fiscal year ending June 30, 1967, or for any succeeding fiscal year, which are not reserved as provided in section 606 by the close of the fiscal year for which they are allotted, shall be reallocated by the Commissioner, on the basis of such factors as he determines to be equitable and reasonable, among the States which, as determined by the Commissioner, are able to use without delay any amounts so reallocated. Amounts reallocated under this subsection shall be available for reservation until the close of the fiscal year next succeeding the fiscal year for which they were originally allotted.

"State Commissions and Plans

"SEC. 603. Any State desiring to participate in the program under this part shall designate for that purpose an existing State agency which is broadly representative of the public and of institutions of higher education in the State, or, if no such State agency exists, shall establish such a State agency, and submit to the Commissioner through the agency so designated or established (hereafter in this part referred to as the 'State commission'), a State plan for such participation. The Commissioner shall approve any such plan which—

"(1) provides that it shall be administered by the State commission;

"(2) sets forth, consistently with basic criteria prescribed by regulation pursuant to section 604, objective standards and methods

(A) for determining the relative priorities of eligible projects for the acquisition of laboratory and other special equipment (other than supplies consumed in use), including audiovisual materials and equipment for classrooms or audiovisual centers, and printed and published materials (other than textbooks) for classrooms or libraries, suitable for use in providing education in science, mathematics, foreign languages, history, geography, government, English, other humanities, the arts, or education at the undergraduate level in institutions of higher education, and minor remodeling of classroom or other space used for such materials or equipment; (B) for determining relative priorities of eligible projects for (i) the acquisition of television equipment for closed-circuit direct instruction in such fields in such institutions (including equipment for fixed-service instructional television, as defined by the Federal Communication Commission, but not including broadcast transmission equipment), (ii) the acquisition of necessary instructional materials for use in such television instruction, and (iii) minor remodeling necessary for such television equipment; and (C) for determining the Federal share of the cost of each such project;

"(3) provides (A) for assigning priorities solely on the basis of such criteria, standards, and methods to eligible projects submitted to the State commission and deemed by it to be otherwise approvable under the provisions of this part; and (B) for approving and recommending to the Commissioner, in the order of such priority, applications covering such eligible projects, and for certifying to the Commissioner the Federal share, determined by the State commission under the State plan, of the cost of the project involved;

"(4) provides for affording to every applicant, which has submitted to the State commission a project, an opportunity for a fair hearing before the commission as to the priority assigned to such project or as to any other determination of the commission adversely affecting such applicant; and

"(5) provides (A) for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the State commission under this part, and (B) for the making of such reports, in such form and containing such information, as may be reasonably necessary to enable the Commissioner to perform his functions under this part.

"Basic Criteria for Determining Priorities, Federal Share, and Maintenance of Effort

"SEC. 604. (a) As soon as practicable after the enactment of this Act the Commissioner shall by regulation prescribe basic criteria to which the provisions of State plans setting forth standards and methods for determining relative priorities of eligible projects, and the application of such standards and methods to such projects under such plans, shall be subject. Such basic criteria (1) shall be such as will best tend to achieve the objectives of this part while leaving opportunity and flexibility for the development of State plan standards and methods that will best accommodate the varied needs of institutions in the several States, and (2) shall give special consideration to the financial need of the institution. Subject to the foregoing requirements, such regulations may establish additional and appropriate basic criteria, including provision for considering the degree to which applicant institutions are effectively utilizing existing facilities and equipment, provision for allowing State plans to group or provide for grouping, in a reasonable manner, facilities or institutions according to functional or educational type for priority purposes, and, in view of the national objectives of this Act, provision for

considering the degree to which the institution serves students from two or more States or from outside the United States; and in no event shall an institution's readiness to admit such out-of-State students be considered as a priority factor adverse to such institution.

"(b) The Federal share for the purposes of this part shall not exceed 50 per centum of the cost of the project, except that a State commission may increase such share to not to exceed 80 per centum of such cost in the case of any institution proving insufficient resources to participate in the program under this part and inability to acquire such resources. An institution of higher education shall be eligible for a grant for a project pursuant to this part in any fiscal year only if such institution will expend during such year for the same purposes as, but not pursuant to, this part an amount at least equal to the amount expended by such institution for such purposes during the previous fiscal year. The Commissioner shall establish basic criteria for making determinations under this subsection.

"Applications for Grants and Conditions for Approval

"SEC. 605. (a) Institutions of higher education which desire to obtain grants under this part shall submit applications therefor at such time or times and in such manner as may be prescribed by the Commissioner, and such applications shall contain such information as may be required by or pursuant to regulation for the purpose of enabling the Commissioner to make the determinations required to be made by him under this part.

"(b) The Commissioner shall approve an application covering a project under this part and meeting the requirements prescribed pursuant to subsection (a) if—

"(1) the project has been approved and recommended by the appropriate State commission;

"(2) the State commission has certified to the Commissioner, in accordance with the State plan, the Federal share of the cost of the project, and sufficient funds to pay such Federal share are available from the applicable allotment of the State (including any applicable reallocation to the State);

"(3) the project has, pursuant to the State plan, been assigned a priority that is higher than that of all other projects within such State (chargeable to the same allotment) which meet all the requirements of this section (other than this clause) and for which Federal funds have not yet been reserved;

"(4) the Commissioner determines that the project will be undertaken in an economical manner and will not be overly elaborate or extravagant; and

"(5) the Commissioner determines that the application contains or is supported by satisfactory assurances—

"(A) that Federal funds received by the applicant will be used solely for defraying the cost of the project covered by such application,

"(B) that sufficient funds will be available to meet the non-Federal portion of such cost and to provide for the effective use of the equipment upon completion, and

"(C) that the institution will meet the maintenance of effort requirement in section 604(b).

"(b) Amendments of applications shall, except as the Commissioner may otherwise provide by or pursuant to regulation, be subject to approval in the same manner as original applications.

"Amount of Grant—Payment

"SEC. 606. Upon his approval of any application for a grant under this part, the Commissioner shall reserve from the applicable allotment (including any applicable reallocation) available therefor, the amount of such grant, which (subject to the limits of such allotment or reallocation) shall be

equal to the Federal share of the cost of the project covered by such application. The Commissioner shall pay such reserved amount, in advance or by way of reimbursement, and in such installments as he may determine. The Commissioner's reservation of any amount under this section may be amended by him, either upon approval of an amendment of the application covering such project or upon revision of the estimated cost of a project with respect to which such reservation was made, and in the event of an upward revision of such estimated cost approved by him he may reserve the Federal share of the added cost only from the applicable allotment (or reallocation) available at the time of such approval.

"Administration of State Plans

"SEC. 607. (a) The Commissioner shall not finally disapprove any State plan submitted under this part, or any modification thereof, without first affording the State commission submitting the plan reasonable notice and opportunity for a hearing.

"(b) Whenever the Commissioner, after reasonable notice and opportunity for hearing to the State commission administering a State plan approved under this part, finds—

"(1) that the State plan has been so changed that it no longer complies with the provisions of section 603, or

"(2) that in the administration of the plan there is a failure to comply substantially with any such provision,

the Commissioner shall notify such State commission that the State will not be regarded as eligible to participate in the program under this part until he is satisfied that there is no longer any such failure to comply.

"Judicial Review

"SEC. 608. (a) If any State is dissatisfied with the Commissioner's final action with respect to the approval of its State plan submitted under this part or with his final action under section 607, such State may appeal to the United States court of appeals for the circuit in which such State is located. The summons and notice of appeal may be served at any place in the United States. The Commissioner shall forthwith certify and file in the court the transcript of the proceedings and the record on which he based his action.

"(b) The findings of fact by the Commissioner, if supported by substantial evidence shall be conclusive; but the court, for good cause shown, may remand the case to the Commissioner to take further evidence, and the Commissioner may thereupon make new or modified findings of fact and may modify his previous action, and shall certify to the court the transcript and record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

"(c) The court shall have jurisdiction to affirm the action of the Commissioner or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in title 28, United States Code, section 1254.

"Limitation on Payments

"SEC. 609. No grant may be made under this part for equipment or materials to be used for sectarian instruction or religious worship, or primarily in connection with any part of the program of a school or department of divinity. For purposes of this section the term 'school or department of divinity' means an institution or a department or branch of an institution whose program is specifically for the education of students to prepare them to become ministers of religion or to enter upon some other religious vocation, or to prepare them to teach theological subjects.

*"Part B—Faculty development programs"**"Institutes Authorized"*

"SEC. 621. (a) There are authorized to be appropriated \$5,000,000 for the fiscal year ending June 30, 1966, and for each of the two succeeding fiscal years, to enable the Commissioner to arrange, through grants or contracts, with institutions of higher education for the operation by them of short-term workshops or short-term or regular-session institutes for individuals (1) who are engaged in, or preparing to engage in, the use of educational media equipment in teaching in institutions of higher education, or (2) who are, or are preparing to be, in institutions of higher education, specialists in educational media or librarians or other specialists using such media.

"(b) For the fiscal year ending June 30, 1969, and for the succeeding fiscal year, there may be appropriated for the purposes of this part, only such sums as the Congress may hereafter authorize by law.

"Stipends"

"SEC. 622. Each individual who attends an institute operated under the provisions of this part shall be eligible (after application therefor) to receive a stipend at the rate of \$75 per week for the period of his attendance at such institute and each such individual with one or more dependents shall receive an additional stipend at the rate of \$15 per week for each dependent. No stipends shall be paid for attendance at workshops.

*"TITLE VII—AMENDMENTS TO HIGHER EDUCATION FACILITIES ACT OF 1963"**"Expansion of Grant Purposes"*

"SEC. 701. (a) Section 106 of the Higher Education Facilities Act of 1963 is amended to read as follows:

"Eligibility for Grants"

"SEC. 106. An institution of higher education shall be eligible for a grant for construction of an academic facility under this title only if such construction will, either alone or together with other construction to be undertaken within a reasonable time, (1) result in an urgently needed substantial expansion of the institution's student enrollment capacity or capacity to carry out extension and continuing education programs on the campus of such institution, or (2) in the case of a new institution of higher education, result in creating urgently needed enrollment capacity or capacity to carry out extension and continuing education programs on the campus of such institution."

"(b) The first sentence of section 101(b) of the Higher Education Facilities Act of 1963 is amended by striking out 'and each of the two succeeding fiscal years' and inserting in lieu thereof 'and for the succeeding fiscal year, and the sum of \$460,000,000 for the fiscal year ending June 30, 1966'.

"(c) The second sentence of section 201 of such Act is amended by striking out 'and the sum of \$60,000,000 each for the fiscal year ending June 30, 1965, and the succeeding fiscal year' and inserting in lieu thereof 'the sum of \$60,000,000 for the fiscal year ending June 30, 1965, and the sum of \$120,000,000 for the fiscal year ending June 30, 1966'.

"Technical amendments"

"Making Section 103 Allotments Available for Section 104 Institutions Under Certain Circumstances"

"SEC. 702. (a) (1) Section 103(b) of the Higher Education Facilities Act of 1963 is amended by inserting '(1)' immediately after '(b)' in such section and by adding at the end thereof:

"(2) Notwithstanding any other provisions of this title, any portion of a State's allotment under this section for a fiscal year for which applications from an institution

qualified to receive grants under this section have not been received by the State Commission by January 1 of such fiscal year, shall, if the Commission so requests, be available, in accordance with the provisions of this title, for payment of the Federal share (as determined under sections 108(b)(3) and 401(d)) of the development cost of approved projects for the construction of academic facilities within such State for institutions of higher education other than public community colleges and public technical institutes."

"(2) The first sentence of section 103(c) is amended by striking out 'for providing academic facilities for public community colleges or public technical institutes' and inserting in lieu thereof 'for the purposes set forth in subsection (b) of this section'.

"(3) Section 105(a) is amended by striking out 'hereinafter' in the matter preceding clause (1).

"(4) Clause (3) of section 105(a) is amended by inserting '(except as provided in section 103(b)(2))' after 'section 103 will be available'.

"Making Section 104 Allotments Available for Section 103 Institutions Under Certain Circumstances"

"(b)(1) Section 104(b) of the Higher Education Facilities Act of 1963 is amended by inserting '(1)' immediately after '(b)' in such section and by adding at the end thereof:

"(2) Notwithstanding any other provisions of this title, any portion of a State's allotment under this section for a fiscal year for which applications from an institution qualified to receive grants under this section have not been received by the State Commission by January 1 of such fiscal year, shall, if the Commission so requests, be available, in accordance with the provisions of this title, for payments of the Federal share as determined under sections 108(b)(3) and 401(d)) of the development cost of approved projects for the construction of academic facilities within such State for public community colleges and public technical institutes."

"(2) The first sentence of section 104(c) is amended by striking out 'for providing academic facilities for institutions of higher education other than public community colleges and public technical institutes' and inserting in lieu thereof 'for the purposes set forth in subsection (b) of this section'.

"(3) Clause (3) of section 105(a) is amended by inserting '(except as provided in section 104(b)(2))' after 'section 104 will be available'.

"Revising Federal Share for Public Community Colleges and Public Technical Institutes"

"(c)(1) Section 105(a)(2) of the Higher Education Facilities Act of 1963 is amended by striking out 'other than a project for a public community college or public technical institute'.

"(2) Section 107(b) of such Act is amended (1) by striking out 'other than a project for a public community college or public technical institute', and (2) by striking out 'shall be 40 per centum' and inserting in lieu thereof 'shall in no event exceed 40 per centum'.

"(3) Section 401(d) of such Act is amended by inserting immediately before '40 per centum' the following: 'a percentage (as determined under the applicable State plan) not in excess of'.

"Three-Year Availability of Sums Appropriated Under Section 201"

"(d) The last sentence of section 201 of the Higher Education Facilities Act of 1963 is amended to read as follows: Sums appro-

riated pursuant to this section for any fiscal year shall remain available for grants under this title until the end of the second succeeding fiscal year.

"Two-Year Availability of Title III Funds"

"(e) Section 303(c) of the Higher Education Facilities Act of 1963 is amended by adding at the end the following new sentence: 'Sums appropriated pursuant to this subsection for any fiscal year shall remain available for loans under this title until the end of the next succeeding fiscal year.'

"Coordination With Part A (Grants for Expansion and Improvement of Nurse Training) of Title VIII of the Public Health Service Act"

"(f) Effective with respect to applications for grants and loans submitted after the date of enactment of this Act, clause (E) of section 401(a)(2) of the Higher Education Facilities Act of 1963 is amended to read as follows: '(E) any facility used or to be used by a school of medicine, school of dentistry, school of osteopathy, school of pharmacy, school of optometry, school of podiatry, or school of public health as these terms are defined in section 724 of the Public Health Service Act, or a school of nursing as defined in section 843 of that Act.'

"Change in Interest Rate for Title III Loans"

"SEC. 703. (a) Subsection (b) of section 303 of the Higher Education Facilities Act of 1963 is amended by inserting '(1)' after 'shall bear interest at', and by inserting before the period at the end thereof a comma and the following: 'or (2) the rate of 3 per centum per annum, whichever is the lesser'.

"(b) The amendment made by this section, shall be applicable only with respect to loans made after the date of enactment of this Act.

*"TITLE VIII—GENERAL PROVISIONS"**"Definitions"*

"SEC. 801. As used in this Act—

"(a) The term 'institution of higher education' means an educational institution in any State which (1) admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such a certificate, (2) is legally authorized within such State to provide a program of education beyond secondary education, (3) provides an educational program for which it awards a bachelor's degree or provides not less than a two-year program which is acceptable for full credit toward such a degree, (4) is a public or other nonprofit institution, and (5) is accredited by a nationally recognized accrediting agency or association or, if not so accredited, is an institution whose credits are accepted, on transfer, by not less than three institutions which are so accredited, for credit on the same basis as if transferred from an institution so accredited. Such term also includes any business school or technical institution which meets the provisions of clauses (1), (2), (4), and (5). For purposes of this subsection, the Commissioner shall publish a list of nationally recognized accrediting agencies or associations which he determines to be reliable authority as to the quality of training offered.

"(b) The term 'State' includes, in addition to the several States of the Union, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, and the Virgin Islands.

"(c) The term 'nonprofit' as applied to a school, agency, organization, or institution means a school, agency, organization, or institution owned and operated by one or more nonprofit corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

"(d) The term 'secondary school' means a school which provides secondary education as determined under State law except that it does not include any education provided beyond grade 12.

"(e) The term 'Secretary' means the Secretary of Health, Education, and Welfare.

"(f) The term 'Commissioner' means the Commissioner of Education.

"(g) The term 'local educational agency' means a public board of education or other public authority legally constituted within a State for either administrative control or direction of, or to perform a service function for, public elementary or secondary schools in a city, county, township, school district, or other political subdivision of a State, or such combination of school districts or counties as are recognized in a State as an administrative agency for its public elementary or secondary schools. Such term also includes any other public institution or agency having administrative control and direction of a public elementary or secondary school.

"(h) The term 'State educational agency' means the State board of education or other agency or officer primarily responsible for the State supervision of public elementary and secondary schools, or, if there is no such officer or agency, an officer or agency designated by the Governor or by State law.

"(i) The term 'elementary school' means a school which provides elementary education including education below grade 1, as determined under State law.

"Method of Payment

"Sec. 802. Payments under this Act to any individual or to any State or Federal agency, institution of higher education, or any other organization, pursuant to a grant, loan, or contract, may be made in installments, and in advance or by way of reimbursement, and, in the case of grants or loans, with necessary adjustments on account of overpayments or underpayments.

"Federal Administration

"Sec. 803. (a) The Commissioner is authorized to delegate any of his functions under this Act, except the making of regulations, to any officer or employee of the Office of Education.

"(b) In administering the provisions of this Act, the Commissioner is authorized to utilize the services and facilities of any agency of the Federal Government and of any other public or nonprofit agency or institution, in accordance with agreements between the Secretary and the head thereof.

"Federal Control of Education Prohibited

"Sec. 804. (a) Nothing contained in this Act shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution, or over the selection of library resources by any educational institution.

"(b) Nothing contained in this Act or any other Act shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the membership practices or internal operations of any fraternal organization, fraternity, sorority, private club or religious organization at an institution of higher education (other than a service academy or the Coast Guard Academy) which is financed exclusively by funds derived from private sources and

whose facilities are not owned by such institution."

And the Senate agree to the same.

ADAM C. POWELL,
CARL D. PERKINS,
EDITH GREEN,
JOHN BRADEMANS,
HUGH L. CAREY,
JOHN H. DENT,
SAM M. GIBBONS,
CARLTON R. SICKLES,

Managers on the Part of the House.

WAYNE MORSE,
LISTER HILL,
PAT McNAMARA,
RALPH YARBOROUGH,
JOSEPH CLARK,
JENNINGS RANDOLPH,
ROBERT KENNEDY,
WINSTON L. PRUTTY,
J. K. JAVITS,
PETER H. DOMINICK,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 9567) to strengthen the educational resources of our colleges and universities and to provide financial assistance for students in postsecondary and higher education, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate amendment strikes out all of the House bill after the enacting clause and inserts a substitute. The House recedes from its disagreement to the amendment of the Senate, with an amendment which is a substitute for both the House bill and the Senate amendment. The differences between the House bill and the substitute agreed to in conference are noted below except for clerical corrections, incidental changes made necessary by reason of agreements reached by the conferees, and minor drafting and clarifying changes.

TITLE I—COMMUNITY SERVICE AND CONTINUING EDUCATION PROGRAMS

Declaration of Purpose

Section 101 of the House bill contained a number of congressional findings. These were that a greater involvement of institutions of higher education in the solution of problems brought about by increasing urbanization is essential to the rapid and effective solution of such problems, that an increase in the availability of educational offerings by such institutions for persons in the community is necessary in order to insure that the latest knowledge and techniques are brought to bear on urban and suburban problems, and that the strengthening of the resources of such institutions is desirable to facilitate a more effective utilization of such resources in meeting the growing needs of our urban and suburban communities. For these reasons it was declared to be the purpose of the title to provide a program of support for institutions of higher education in their establishing and maintaining community service programs designed to achieve these ends.

The Senate amendment provided that the purpose of the title is to assist the people of the United States in the solution of community problems, such as housing, poverty, government, recreation, employment, youth

opportunities, transportation, health, and land use, by enabling the Commissioner to make grants and contracts under the title to strengthen continuing education and extension methods and teaching and the public service resources of colleges and universities.

The conference substitute adopts the Senate provision, except that instead of speaking of strengthening continuing education and extension methods and teaching, and the public service resources of colleges and universities, it mentions strengthening the community service programs of such institutions.

Authorization of Appropriations

The House bill authorized the appropriation of \$50,000,000 for fiscal year 1966 to enable the Commissioner to make grants under the title. For the 4 succeeding fiscal years there was authorized to be appropriated only such sums as the Congress may hereafter authorize by law. The Senate bill authorized \$25,000,000 for fiscal 1966, and \$50,000,000 for fiscal year 1967 and each of the 3 succeeding fiscal years.

The substitute agreed upon in conference authorizes the appropriation of \$25,000,000 for fiscal year 1966, and \$50,000,000 for each of the next 2 fiscal years. For the fiscal year 1969 and the succeeding fiscal year it provides that only such sums may be appropriated as the Congress may hereafter authorize by law.

Use of Funds

The House bill provided that the funds granted from the State's allotment must be used to provide new, expanded, or improved community service programs. "Community service program" was defined to mean an educational program, activity, or service including a research program, specifically designed to assist in the solution of urban or suburban problems, or an educational program, activity, or service designed to assist in the solution of community problems where the institution offering the program, activity, or service determines that the proposed program, activity, or service is not otherwise available and that the content thereof is consistent with the institution's overall educational program and is appropriate to the effective utilization of its special resources and the competencies of its faculty. Under the House bill if the educational program, activity, or service involves course offerings, they must be university extension or continuing education courses and must be acceptable toward an academic degree or of a college level, but in no event can the course be of a frivolous nature.

The Senate amendment provided that funds granted from the State's allotment must be used for extension and continuing education activities and services designed to assist, particularly through new and advanced approaches, in the solution of rural and urban community problems.

The conference substitute adopts the term "community service program" and defines it to mean an educational program, activity, or service, including a research program and a university extension or continuing education offering, designed to assist in the solution of community problems in rural, urban, or suburban areas, with particular emphasis on urban and suburban problems, but only where the institutions offering the program, activity, or service determines it is not otherwise available and that carrying it out is consistent with the institution's overall educational program, and that it is of such a

nature as is appropriate to the effective utilization of the institution's special resources and competencies. Where course offerings are involved, they must be university extension or continuing education courses and either fully acceptable toward a college degree, or of college level as determined by the institution offering the course. The reference to rural, urban, and suburban areas includes rural nonfarm areas.

The requirement that an institution determine that its proposed program is not otherwise available is intended to preclude duplication of existing effort, including overlap with the Agricultural Extension Service. It is not designed to prohibit the use of funds to expand existing community service programs for which there is an unsatisfied demand.

The restriction of courses to those of college level should not be construed to exclude non-secondary-school graduates from participation in programs carried out under this title.

The omission of the prohibition against courses of a frivolous nature should in no way be interpreted as permitting courses to increase the competence of an individual in purely recreational or social activities.

Allotments to Puerto Rico

Under the House bill, the Commonwealth of Puerto Rico would be given a preliminary allotment of \$25,000, as was the case for Guam, American Samoa, and the Virgin Islands. The Senate amendment provided that the Commonwealth of Puerto Rico would receive a preliminary allotment of \$100,000. The Senate recedes.

Matching

The House bill provided that the Federal share of the cost of programs under the title would be 75 percent in the fiscal year 1966, and 50 percent in the fiscal years 1967, 1968, 1969, and 1970. The Senate bill provided that the Federal share would be 75 percent in the fiscal years 1966 and 1967, and 50 percent in the fiscal years 1968, 1969, and 1970. The conference substitute adopts the provisions of the Senate amendment on this point.

Maintenance of Effort

Both the House bill and the Senate amendment required that the State plan submitted under the title set forth policies and procedures designed to assure that the Federal funds made available will not supplant State or local funds or funds of institutions of higher education. The Senate amendment in addition provided that no payments could be made to any State from its allotment until the Commissioner finds that the institutions of higher education which will participate in carrying out the State plan have available during that year for expenditure from non-Federal sources for university extension and continuing education programs not less than the total amount actually expended by those institutions for such programs from non-Federal sources during the year 1965, plus an amount equal to not less than the non-Federal share of the costs with respect to which payment under the title is sought. The conference substitute includes this provision.

The Senate amendment also prohibited use of fee-related funds to meet the above requirement. This provision is dropped in the conference substitute.

Funds To Cover Administration of State Plans

The House bill provided that no payment could be made to any State for developing and administering a State plan which exceeds 5 percent of the cost of developing and carrying out the States' plan for that year. The Senate amendment contained the same provision but added a provision to authorize the expenditure of \$25,000 in any State where that amount is greater than 5 percent of such cost. The Senate provision is retained in the conference report.

Funds for Experimental Approaches and Supplemental Grants

The Senate amendment reserved 20 percent of the sum appropriated for purposes of the title for grants and contracts for experimental projects and for supplemental grants. The House bill contained no comparable provision. The Senate recedes.

Advisory Council

The House bill provided for the establishment in the Office of Education of a National Advisory Committee on Community Service Programs to advise the Commissioner in preparing general regulations and in the administration of the program provided for in the title. The Senate amendment directed the President to appoint a National Advisory Council on Extension and Continuing Education to advise the Commissioner in the preparation of general regulations and with respect to policy matters arising in the administration of the title and also with respect to approval of State plans, and policies to eliminate duplication and effectuate coordination of programs under the title and other programs of extension or continuing education. The Council would also advise the Commissioner on approval of projects and activities under the title. The Council was required to review all federally supported extension and continuing education programs. Beginning on March 31, 1967, it would file an annual report of its findings and recommendations to the Secretary and to the President. This report would be transmitted to the Congress with the comments and recommendations of the President.

The Senate amendment also authorized the Secretary to engage such technical assistance as might be required to carry out the functions of the Advisory Council. It also authorized the Advisory Council to utilize the services and facilities of other Federal agencies.

This section of the Senate amendment is included in the conference report with only minor and conforming changes.

The House bill contained a provision, nothing comparable to which appears in the Senate amendment, under which the Secretary is required, during 1968, to appoint a Review Council on Community Service Programs to review the administration of community service programs carried out under the title and make recommendations for the improvement of that administration. The Council was to include persons knowledgeable in the field of extension and continuing education, State and local officials having special knowledge, experience, or qualification with respect to community problems, and persons representative of the public. The Secretary was also authorized to engage technical assistance. The Council would make its report to the Secretary not later than March 31, 1969. This provision is not included in the conference report.

Limitation

The Senate amendment contained a provision, not present in the House bill, prohibiting the use of funds for activities and services related to sectarian instruction or religious worship, or provided by a school or department of divinity. This provision is retained in the conference report.

TITLE II—COLLEGE LIBRARY ASSISTANCE AND LIBRARY TRAINING AND RESEARCH

Part A—College library resources

Authorization of Appropriations

The House bill authorized the appropriation of \$50,000,000 for fiscal year 1966, and only such sums as may be hereafter authorized by law for the succeeding 4 fiscal years. The Senate amendment authorized \$50,000,000 for fiscal year 1966 and each of the 4 succeeding fiscal years. The substitute agreed upon in conference authorizes the appropriation of \$50,000,000 for the fiscal

year 1966 and the 2 succeeding fiscal years. It provides that for the fiscal year 1969, and the next fiscal year, only such sums may be appropriated as the Congress may hereafter authorize by law.

Basic Grants

The House bill provided basic grants to institutions of higher education for acquisition of library materials. It provided that the basic grant to an institution could not exceed \$5,000 for each institution. The comparable provision of the Senate amendment provided that the basic grant could not exceed \$5,000 for each institution of higher education and each branch of such institution which is located in a community different from that in which its parent institution is located. The conference substitute adopts the Senate version, with an amendment under which what constitutes a "branch" will be determined in accordance with regulations of the Commissioner. In permitting grants to be made to branches the conferees intend that grants be limited to branches which have college level programs for which library facilities are necessary, and that the proceeds of a grant on account of a branch be used to increase the library resources at the branch.

The Senate amendment also required the institution applying for a basic grant to provide for joint use of library facilities with other institutions where feasible. The House bill contained no comparable provision, and it is not included in the conference report. However, the managers on the part of the House expect that there will be joint use of library facilities where feasible.

Supplemental Grants

The Senate amendment provided that funds remaining after making basic grants, plus any funds not needed for special purpose grants, could be used for supplemental grants. The House bill provided for the use of funds remaining after making basic grants to make supplemental grants, but did not permit the use of funds not needed for special grants for this purpose. It provided, instead, that funds not needed for the other types of grants be used for special purpose grants. The provision of the Senate amendment is included in the conference report. The conferees do not expect an institution to qualify for supplemental grants unless it has received basic grants in excess of \$1,500 on a matching basis.

The House bill provided that in awarding supplemental grants the Commissioner shall take into consideration the endowments and other financial resources of the institution. The Senate amendment required the Commissioner to give priority to institutions which need financial assistance for library purposes. The conference report adopts this provision of the Senate amendment.

Special Purpose Grants

Both the House bills and the Senate amendment provided for use of 25 percent of the funds appropriated to carry out the part for special purpose grants. The House bill also permitted the use of funds not needed for the other grant programs to be used for special purpose grants. The Senate amendment, in contrast, provided that funds not used for special purpose grants could be used for supplemental grants.

In lieu of these provisions, the conference substitute provides that 25 percent of the sums appropriated to carry out the part for a fiscal year shall be used by the Commissioner as follows:

1. 60 percent may be used to make special purpose grants.
2. The sums not used for special purpose grants will be used in the manner prescribed for supplemental grants.

The Senate amendment specifically includes physical and social sciences as being among those eligible for special purpose

grants. The House bill contained no comparable provision. The Senate recedes.

The Senate amendment provided that special purpose grants must be matched on the basis of one institutional dollar for every three Federal dollars, and required that the institution maintain its effort in this area. The House bill contained no comparable provision. The conference report adopts the substance of the Senate amendment on this point.

State Agency Consultation

The House bill required consultation by institutions of higher education with State higher education agencies where they exist. The Senate amendment contained no comparable provision. The conference substitute requires these institutions to inform periodically the State agency (if any) concerned with higher educational activities in the State of such institution's activities under the part.

Part B—Library training and research

Authorization of Appropriations

The House bill authorized the appropriation of \$15,000,000 for fiscal year 1966, and only such sums as may hereafter be authorized for the succeeding 4 years. The Senate amendment authorized the appropriation of \$7,500,000 for fiscal year 1966 and \$15,000,000 for each of the 4 succeeding fiscal years.

The conference substitute authorizes the appropriation of \$15,000,000 for fiscal year 1966, and each of the two succeeding fiscal years, for carrying out this part. For the fiscal year 1969 and the next fiscal year only such funds may be appropriated as the Congress hereafter authorizes by law.

Training Grants

The Senate amendment specifically includes training of specialists in the communications of information in the physical and social sciences as eligible training programs. The House bill did not specifically include these programs. The Senate recedes.

Research

The Senate amendment permitted research grants and contracts to individuals. The House bill did not. The Senate recedes.

The House bill permitted the Commissioner to appoint one nine-member advisory committee to assist in the administration of the program. The Senate amendment allowed the Commissioner to appoint the necessary number of technical advisory committees and panels of experts. The House provision is included in the conference report.

NDEA Library Institutes

The House bill repealed the authority for training institutes for elementary and secondary school librarians now contained in the National Defense Education Act of 1958, effective July 1, 1965. The Senate amendment contained no comparable provision. The conferees agreed to the House provision, but delayed its effectiveness until July 1, 1967. The conference committee expects that after June 30, 1967, the librarian institutes now authorized under the National Defense Education Act will be carried on under part B of title II of this act.

Part C—Cataloging

Authorization of Appropriations

The House bill authorized the appropriation of \$5,000,000 for the fiscal year 1966, and only such sums as may hereafter be authorized for the succeeding 4 fiscal years. The Senate amendment authorized the appropriation of \$5,000,000 for fiscal year 1966, \$6,315,000 for the fiscal year 1967, and \$7,770,000 for each of the 3 succeeding fiscal years. The conference substitute authorizes the appropriation of \$5,000,000 for fiscal year 1966, \$6,315,000 for fiscal year 1967, and \$7,700,000 for fiscal year 1968. For the fiscal year 1969 and the next fiscal year, only such

sums may be appropriated as the Congress may hereafter authorize by law.

Purpose of Program

The Senate amendment authorized the use of funds transferred under this part for distributing bibliographic information by printing catalog cards and by other means. The House bill did not authorize the use of these funds for such purpose. The conference report includes this provision of the Senate amendment.

TITLE III—STRENGTHENING DEVELOPING INSTITUTIONS

Authorization of Appropriations

The House bill authorized the appropriation of \$30,000,000 for the fiscal year 1966 to carry out the title. For the 4 succeeding fiscal years only such sums could be appropriated as the Congress may hereafter authorize by law.

The Senate amendment authorized the appropriation of \$25,000,000 for the fiscal year 1966 and each of the 4 succeeding fiscal years for carrying out the provisions of the title with respect to developing institutions which plan to award one or more bachelor's degrees during the year. It authorizes \$25,000,000 for the fiscal year 1966 and each of the 4 succeeding fiscal years for carrying out the provisions of the title with respect to developing institutions which do not plan to award such degrees during the year. It authorized the appropriation of \$5,000,000 for the fiscal year 1966 and \$10,000,000 for the fiscal year 1967 and each of the 3 succeeding fiscal years for either of the foregoing purposes, or both, as determined by the Commissioner.

The substitute agreed upon in conference contains an authorization of \$55,000,000 for 1 year—the fiscal year 1966. It provides that 78 percent of the sums appropriated for the title may be used only for developing institutions which plan to award one or more bachelor's degrees during the year. The remainder may be used only for other institutions.

Qualifications of "Developing Institutions"

The House bill provided that for an institution to be a developing institution eligible for this program it must, among other things, (1) have been awarding bachelor's degrees for 5 years, and (2) be seriously handicapped in its efforts to improve its staff and services by lack of financial resources and a shortage of qualified professional personnel.

The Senate amendment permitted an institution of higher education (including a junior college or other 2-year institution) to be considered a "developing institution" if it met the accreditation requirements of the bill during the 2 preceding academic years.

The substitute includes the 2-year institutions within the scope of the title, but provides that all institutions must meet the accreditation requirements and must have been in existence for 5 academic years. This reflects the committee's determination that funds be used to support programs which will assist those institutions which are developing in the sense that they are unable to offer quality instruction, not simply because they are rapidly expanding.

The committee intends that the Commissioner in prescribing regulations defining the term "developing institution" will strictly adhere to the description of such institutions contained in both the House and Senate reports.

Types of Programs

The Senate amendment, unlike the House bill, specifically included programs to strengthen the administration of developing institutions. The conference substitute includes this provision.

The Senate amendment permitted cooperative programs under which persons from developing institutions may receive fellowships leading to advanced degrees. No specific authority was contained in the House bill. This provision is retained in the conference report.

TITLE IV—STUDENT ASSISTANCE

Part A—Educational opportunity grants

General

The House bill and Senate amendment both include programs to provide financial assistance to enable deserving students to attend college. However, the two programs differ completely as to the manner in which this assistance would be provided. The House bill amended the student loan title of the National Defense Education Act of 1958, to provide that 25 percent of the amount authorized for student loan funds could be used to make educational opportunity grants to needy students. The Senate amendment, in contrast, did not amend the National Defense Education Act, but instead provided an independent program under which grants would be made to institutions of higher education to enable them to provide scholarships.

The substitute agreed upon in conference adopts the general structure of the Senate amendment, while retaining (as explained hereafter in detail) most of the requirements of the House bill relating to qualifications for and amounts of educational opportunity grants.

Authorization of Appropriations

The Senate amendment authorized the appropriation of \$70,000,000 for fiscal year 1966, and each of the 4 succeeding fiscal years for paying for the initial year of scholarships awarded under the program. The conference substitute authorizes the appropriation of \$70,000,000 for fiscal year 1966, and each of the next 2 fiscal years, for making payments for the initial year of educational opportunity grants (the name given these grants in the House bill and adopted in the conference report). For the fiscal year 1969, and the next fiscal year, the conference substitute permits the appropriation of only such sums as may hereafter be authorized by law.

Amount of Grant

Under the House bill the maximum educational opportunity grant which could be made to a student for any year was \$800; and in no event could the grant constitute more than one-half of the total financial aid provided the student by the institution (excluding assistance from work-study programs) and by any State or private scholarship program. Under the Senate amendment the maximum size of a scholarship for a year was \$800, but the maximum size was increased to \$1,000 in the case of a student in the upper half of his class.

The conference substitute provides that the maximum amount of an educational opportunity grant may not exceed the lesser of \$800 or one-half of the sum of the amount of student financial aid (excluding assistance from work-study programs) provided by the institution or by a State or private scholarship program. If the student is in the upper half of his class, the maximum amount will be increased \$200, if needed.

Allotments Among States

Since the House bill provided that educational opportunity grants would be made from NDEA student loan funds, the effect was to allot funds for this program on the basis of the NDEA formula. Under that formula, funds are allotted among the States on the basis of the relative number of students enrolled in institutions of higher education in the several States. The Senate amendment allotted the funds among

the States, one-third as funds for NDEA student loan programs are allotted, one-third on the basis of relative numbers of secondary school graduates in the several States, and one-third on the basis of the relative number of related children under 18 years of age living in families with annual incomes of less than \$3,000.

The conference substitute provides that all the funds will be allotted according to the formula used for allotting NDEA student loan funds.

State Scholarship Funds

The Senate amendment permitted payment (with 50-percent matching and maintenance of effort) of up to 15 percent of a State's apportionment for use in the State's scholarship programs which are comparable to the Federal program. The House bill did not contain this provision, and it is not included in the agreement reached in conference.

Coordination of Student Assistance Programs

As mentioned above, under the House bill educational opportunity grants had to be supplemented by assistance under other programs. The Senate bill did not include the House provision, but did require institutions, where appropriate, to combine financial assistance under this program with assistance derived from other public and private programs. Since the House provision referred to above was retained in the conference report, the Senate provision was dropped.

Cooperative Motivational Programs

Both the House bill and the Senate amendment contained provisions requiring institutions of higher education to make vigorous efforts to identify qualified youths from low-income families and to encourage them to continue their education beyond secondary school. The provision in the Senate amendment which permitted institutions to use up to 5 percent of their grants for these activities is not included in the conference report.

Transfers to NDEA Student Loan Funds

The Senate amendment permitted an institution to transfer 25 percent of funds granted it under the part to its NDEA student loan fund. The conference report retains this provision.

Part B—Guaranteed reduced interest loans General

The House bill and Senate amendment contained generally similar provisions for Federal, State, and private programs of low-interest insured loans to students in institutions of higher education. There were a number of technical differences between the two versions, but the conference report accepts the provisions of the House bill, except as noted below.

Moratorium for Repayment

The Senate amendment provided a moratorium on repayment of federally guaranteed loans during the time the borrower is a full-time student and for a period of not to exceed 3 years during which the borrower is a member of the Armed Forces or a volunteer in the Peace Corps. This provision is retained in the conference report.

Beginning Date for Repayments

The House bill provided that repayments cannot be required to begin before 6 months after the end of the student's educational program. The Senate amendment substituted 9 months for the 6-month figure in the House bill. The 9-month figure is adopted in the conference report.

Advisory Council on Insured Loans for Students

The Senate amendment established an Advisory Council on Insured Loans for Students to advise the Commissioner in preparation of general regulations and with respect to

policy needs arising in the administration of the program. There was no comparable provision in the House bill.

The conference substitute accepts this provision with two changes. It deletes the requirement that the Council advise the Commissioner in the preparation of general regulations, and inserts a provision giving the members of the Council the usual per diem rates of pay.

Definition of "Eligible Institution"

The House bill limited the institutions which would be eligible to participate to 4-year and 2-year institutions which are accredited and provide courses acceptable for credit toward a bachelor's degree.

The Senate amendment broadened the definition of "eligible institution" to include (1) institutions which are not yet accredited but which, in the judgment of the Commissioner, will be accredited in a reasonable time; (2) collegiate and associate degree schools of nursing; and (3) other schools which provide not less than a 1-year program of training to prepare students for gainful employment in a recognized occupation. The conference substitute contains the Senate provision.

Part C—College work-study program extension and amendment

Authorization of Appropriations

The House bill authorized the appropriation of \$129,000,000 to carry out the part during the fiscal year 1966, and such sums as the Congress may hereafter authorize by law for the next 4 fiscal years. The Senate amendment authorized the appropriation of \$129,000,000 for fiscal year 1966, \$165,000,000 for fiscal year 1967, \$200,000,000 for fiscal year 1968, and \$235,000,000 for the fiscal year 1969 and the next fiscal year. The conference report authorizes the appropriation of \$129,000,000 for fiscal year 1966, \$165,000,000 for fiscal year 1967, and \$200,000,000 for fiscal year 1968.

Limitation on Types of Work

The Senate amendment made applicable to all work carried on under work-study programs, the requirements now applicable to off-campus work. It also adds a requirement that the work be such as would not otherwise be performed by nonstudents. The Senate provision was accepted in conference with an amendment deleting the requirement that the work be such as would not otherwise be performed by nonstudents.

Payment of Institutional Share

The present law requires institutions to bear 10 percent of the cost of work-study programs. The Senate amendment permitted institutions to pay this share to students in the form of services and equipment furnished by the institutions. This provision is included in the conference report.

Part D—Amendments to National Defense Education Act of 1958

Conditions of Agreements; Administrative Costs

The Senate amendment contained an amendment to clause (3) of section 204 of the National Defense Education Act of 1958 (referred to as the NDEA) which required that agreements between the Commissioner and institutions participating in the loan program provide that student loan funds may be used for routine expenses (within specified limits) incurred by the institution in administering the student loan fund, and for collection costs (in addition to costs of litigation) agreed to by the Commissioner. The House bill contained no comparable provision. The conference report adopts this provision of the Senate amendment.

Technical Amendment for Part-Time Students

The Senate amendment contained an amendment to section 205(b)(2) of the

NDEA to authorize institutions to determine whether loans shall be repaid in equal (or if the borrower requests, in graduated periodic installments determined in accordance with schedules approved by the Commissioner) quarterly, bimonthly, or monthly installments. It also amended section 205(b)(2) to provide that repayment of principal, together with interest, is to commence 9 months after the date on which the borrower ceases to carry at least half the normal full-time academic workload, and end 10 years and 9 months after such date except that interest shall not accrue and no installment need be paid while the borrower is carrying (at an institution of higher education or comparable institution outside the States, approved for this purpose by the Commissioner) at least one-half the normal full-time academic workload, as determined by the institution. The amendments made by this provision would apply to loans outstanding on the date of enactment only with the consent of the borrower and the lending institution.

The House bill contained no comparable provision. The conference report adopts this provision of the Senate amendment.

Minimum Rate of Repayment

The Senate amendment contained an amendment to section 205(b)(2) of the NDEA to authorize institutions to require that the rate of repayment by a borrower on all title II loans extended him must be not less than \$15 per month. The amendment made by this provision would be applicable only with respect to loans made after the date of enactment.

The House bill contained no comparable provision. The conference report adopts this provision of the Senate amendment.

Cancellation of Loans for Teachers

The Senate amendment contained an amendment to section 205(b)(3) of the NDEA in three respects: First, to provide that the portion of the loans to be forgiven teachers is to be calculated as a percentage of the original total of the loans in question rather than, as the law now provides, of the amount of the loan remaining unpaid on the first day of service as a teacher; second, to provide that the prescribed portions of the loan to be forgiven shall be forgiven for each academic year "or its equivalent"; and third, to provide that the cancellation rate for teachers shall be 15 percent for each complete academic year, or its equivalent, of service as a full-time teacher in a public or other nonprofit elementary or secondary school which is in the school district of a local educational agency eligible in such year for assistance under title II (financial assistance to local educational agencies for the education of children of low-income families) of Public Law 874, 81st Congress, and which has been determined to be a school in which there is a high concentration of students from low-income families. Such a determination may be made only with respect to 25 percent of the schools in a State. For purposes of such cancellation, an additional 50 percent of any loan (plus interest) may be canceled.

The House bill contained no comparable provision. The conference report adopts this provision of the Senate amendment, but with a limitation that no borrower may receive a refund by reason of subsequent forgiveness of amounts he has repaid.

Charges

The Senate amendment contained an amendment to section 205 of the NDEA by adding a new subsection (c) to authorize institutions to assess charges against borrowers who fail to pay all or any part of an installment when due, and against borrowers who are entitled to deferment benefits or cancellation benefits but who fail to file timely and satisfactory evidence of such entitlement. Such charges may amount to \$1

for the first month of late payment and \$2 each month thereafter, except that for bi-monthly or quarterly repayment intervals, the charge may be \$3 and \$6, respectively. Institutions would be authorized to elect whether to add these charges to the principal amount of loans as of the first day after the day on which such installment or evidence was due, or to make the amount of the charge payable to the institution not later than the due date of the next installment after receipt by the borrower of notice of the assessment of the charge. The amendment would be applicable only with respect to loans made after the date of enactment.

The House bill contained no comparable provision. The conference report adopts this provision of the Senate amendment.

Economics, civics, and industrial arts

The Senate amendment contained an amendment to clauses (1) and (5) of section 303(a) of the NDEA pertaining to State plans under which financial assistance is extended for strengthening instruction in science, mathematics, modern foreign languages, and other critical subjects, to include "economics" among subjects which may be included in programs by State educational agencies. This provision also authorized increased appropriations (from \$90 to \$100 million) for fiscal years 1966, 1967, and 1968 for carrying out title III of the NDEA.

In addition this provision amended section 1101 of the NDEA (authorizing short-term or regular session institutes for advanced study) to provide for the authorization of \$50 million (rather than \$32,750,000) for fiscal 1966 and for each of the 2 succeeding years. It also amended section 1101 to expand the categories of eligible support to include institutes to improve the qualification of individuals who are engaged in or preparing to engage in the teaching or the supervising or training of teachers, of economics, civics, and industrial arts.

The House bill contained no comparable provisions. The conference report adopts these provisions of the Senate amendment.

TITLE V—TEACHER PROGRAMS

Part A—General provisions

Advisory Council on Quality Teacher Preparation

The Senate amendment provided for the establishment of an Advisory Council on Teacher Preparation in the Office of Education. The Commissioner would be Chairman of the Council, and he would appoint (with the approval of the Secretary) the 12 members of the Council. Such 12 members would include persons knowledgeable with respect to teacher preparation and the needs of urban and rural schools. The purpose of the Council would be to review the administration and operation of the programs carried out under this title and under all other Federal programs for complementary purposes.

The provision also provided for compensation of Council members who are not regular full-time employees of the United States, and allowed the Council to appoint an executive secretary and such other employees as it deemed necessary to carry out its functions under this part.

The House bill contained no comparable provisions. The conference report adopts these provisions of the Senate amendment, but changes the name of the Council to the Advisory Council on Quality Teacher Preparation.

Limitation

The Senate amendment provided that nothing contained in this title shall be construed to authorize the making of any payment under this title for religious worship or instruction. The conference report adopts this provision of the Senate amendment.

Part B—National Teacher Corps

Statement of Purpose and Authorization of Appropriations

The Senate amendment provided that it is the purpose of this part to improve the educational opportunities available to children in areas having a concentration of low-income families, and at the same time to encourage the development of broader programs of teacher preparation in colleges and universities, by attracting and training both qualified teachers and inexperienced teacher-interns who will be made available to local educational agencies in low-income areas.

The Senate amendment authorized, for the purpose of carrying out this part, the appropriation of \$36,100,000 for the fiscal year ending June 30, 1966, and \$64,715,000 for the fiscal year ending June 30, 1967, and for each of the four succeeding fiscal years.

The House bill contained no comparable provision. The conference report adopted this provision, but restricted the authorization to the first 2 years.

Establishment of National Teacher Corps

The Senate amendment provided that a National Teacher Corps, to be headed by a Director and a Deputy Director, would be established in the Office of Education in order to carry out the purposes of this part. The House bill contained no comparable provision. The conference report adopts this provision of the Senate amendment.

Teacher Corps Program

The Senate amendment authorized the Commissioner to (1) recruit, select, and enroll both experienced teachers and inexperienced teacher-interns (who have a bachelor's degree or its equivalent) in the Teacher Corps for periods of up to 2 years; (2) enter into arrangements with institutions of higher education or State or local educational agencies to provide members of the Teacher Corps with appropriate training, including a maximum of 3 months' training before undertaking their teaching duties; (3) enter into arrangements (including the payment of cost of such arrangements) with local educational agencies to furnish experienced teachers and teaching teams (consisting of one experienced teacher and a number of teacher-interns) for service during regular or summer sessions, or both, in the schools of such agencies in areas having concentrations of children from low-income families, and under which arrangements teacher-interns would be afforded time by the local educational agency for a teacher-intern training program carried out under the guidance of the experienced teacher in cooperation with an institution of higher education; (4) pay to local educational agencies the amount of compensation which such agencies pay to members of the Teacher Corps assigned to them; and (5) employ experts and consultants or organizations thereof to assist the Commissioner in carrying out his functions under this part. The House bill contained no comparable provision. The conference report adopts this provision of the Senate amendment.

The Senate amendment provided that, wherever possible, arrangements with institutions of higher education to furnish training to teacher-interns while such interns are teaching, shall provide for training leading to a graduate degree. The House bill contained no comparable provision. The conference report adopts this provision of the Senate amendment, but omits authority for the employment of experts, consultants, or organizations.

The Senate amendment provided that when the demand for the services of Teacher Corps members exceeds the supply, the Commissioner shall, to the extent practicable allocate those members available among the

States in proportion to the number of children counted in each State for the purpose of making basic grants under title II of Public Law 874, 81st Congress, for the fiscal year for which such allocation is made. The House bill contained no comparable provision. The conference report adopts a substitute for this provision of the Senate amendment which provides that if demand for Teacher Corps members exceeds supply, the Commissioner may allot up to 2 percent of the members to Puerto Rico and the Virgin Islands. The remainder would be allotted in accordance with the Senate amendment.

The Senate amendment provided that Teacher Corps members may be utilized by a local educational agency to provide educational services available to children enrolled in private elementary and secondary schools, in the manner described in section 205(a)(2) of Public Law 874, 81st Congress. The House bill contained no comparable provision. The conference report adopts this provision of the Senate amendment.

Compensation

The Senate amendment required that an arrangement with a local educational agency must provide that Teacher Corps members must be compensated by that agency at the following rates: (1) Experienced teachers must receive pay equivalent to that received by teachers with similar training experience and duties who are employed by the local educational agency; (2) experienced teachers leading teaching teams must be compensated at a rate agreed upon by the Commissioner and the agency; and (3) teacher-interns must be compensated at the lowest rate paid by such agency for full-time teaching in the school system and grade to which the intern is assigned.

The Senate amendment authorized the Commissioner to pay stipends to Teacher Corps members while such members are in training. Such payments may include allowances for subsistence and other expenses for such members and their dependents, and are to be consistent with prevailing practices under comparable federally supported training programs.

In addition, the Senate amendment authorized the Commissioner to pay certain necessary expenses of Teacher Corps members, including travel, transportation of household goods, and readjustment allowances proportionate to service, and to arrange to protect the tenure, retirement rights, and similar employee benefits of any Teacher Corps member who wishes to return to the local educational agency or institution of higher education by which he was employed immediately prior to his service in the Corps.

The House bill contained no comparable provisions. The conference report adopts these provisions of the Senate amendment.

Application of Provisions of Federal Law

The Senate amendment provided:

(1) A Teacher Corps member is not to be deemed a Federal employee, except as is otherwise specifically provided in this section, and is not subject to those provisions of law relating to Federal employment.

(2) Teacher Corps members shall be deemed to be Federal civil employees within the meaning of section 40 of the Federal Employees' Compensation Act (5 U.S.C. 790) for the purposes of the administration of that act, and the provisions of that act shall apply except as hereinafter provided. For purposes of this subsection the term "performance of duty" in the Federal Employees' Compensation Act shall not include any act of a member of the Teacher Corps while on authorized leave, or while absent from his assigned post of duty, except while participating in an activity authorized by the Commissioner. In computing compensation

benefits for disability or death under the Federal Employees' Compensation Act, the monthly pay of a member of the Teacher Corps shall be deemed to be his actual pay or that received under the entrance salary for GS-6, whichever is greater.

(3) Members of the Teacher Corps shall be deemed to be employees of the Government for the purposes of the Federal Tort Claims Act.

The House bill contained no comparable provisions. The conference report adopts these provisions of the Senate amendment.

Local Control Preserved

The Senate amendment provided that members of the Teacher Corps would be under the direct supervision of the local educational agencies to which they are assigned, and such agencies would retain the authority to assign such members within their systems, make transfers within their systems, determine the subject matter to be taught, and determine the terms and continuance of the assignment of such members within their systems. The House bill contained no comparable provision. The conference report adopts this provision of the Senate amendment.

Maintenance of Effort

The Senate amendment provided that no member of the Teacher Corps may be used by any local educational agency to replace any teacher who is or would otherwise be employed by such agency.

The House bill contained no comparable provision. The conference report adopts this provision of the Senate amendment.

Part C—Fellowships for teachers

General

Part C of title V of the Senate amendment provided for the establishment of a program of fellowships for elementary and secondary school teachers. The House bill did not provide for a comparable program. The conference report adopts a substitute for the provisions of the Senate amendment.

Statement of Purpose

The Senate amendment provided that the purpose of this part is to provide opportunities for advanced training, particularly in substantive field areas, for teachers and personnel serving in ancillary fields. The conference substitute states that it is the purpose of this part to carry out the policy of the United States to improve elementary and secondary education by improving the quality of career elementary and secondary school personnel by awarding fellowships for graduate study at institutions of higher education and by strengthening teacher education programs in institutions of higher education.

Fellowships Authorized

The Senate amendment authorized the award of fellowships to elementary and secondary school and post-secondary vocational school teachers for master's degrees in education, in the subject which the recipient teaches, or in certain ancillary fields. 4,500 fellowships were authorized for fiscal year 1966; 10,000 for fiscal year 1967; and 15,000 for each of the 3 succeeding years. 40 percent of the fellowships were reserved for recent graduates. The remainder were to go to teachers with at least 5 years' experience, of whom 20 percent could be teachers displaced from their employment by reason of the enforcement of the Civil Rights Act of 1964, or court orders. Between 20 and 25 percent of all fellowships were reserved for persons in fields ancillary to elementary or secondary education or to post-secondary vocational education.

The conference substitute provides for fellowships for graduate degrees, other than doctor of philosophy (or its equivalent) for persons pursuing or who plan to pursue a career of teaching in elementary or secondary

schools; a career of teaching, guiding, or supervising such teachers or persons who plan to become such teachers; or a career in fields which are directly related to teaching in elementary or secondary schools. 4,500 fellowships are authorized for fiscal year 1966, and 10,000 each are authorized for fiscal years 1967 and 1968. Recipients of fellowships must study at institutions whose programs are approved under section 524. The provisions of the Senate amendment relating to the reservation of portions of the fellowships for certain categories of teachers have been dropped, but the conference committee expects that up to 20 percent of the fellowships will be awarded to persons who have been displaced in their employment as professional employees of local educational agencies as a result of changes of school populations brought about by the enforcement of the Civil Rights Act of 1964, or the carrying out of the purpose of such act.

Allocation of Fellowships

The Senate amendment provided that the Commissioner should endeavor to distribute fellowships equitably throughout the Nation, and that he should give preference in such awards to persons already serving, or intending to serve, in low-income areas.

The conference substitute provides that the Commissioner shall allocate fellowships to institutions of higher education with approved programs for the use of individuals accepted into such programs, in a manner (1) which provides an equitable distribution of such fellowships throughout the States (except that he may, after consultation with the Advisory Council on Quality Teacher Preparation, give preference to programs designed to meet an urgent national need), and (2) which encourages experienced teachers in elementary or secondary schools and other experienced personnel in elementary or secondary education to enter graduate programs, attracts recent college graduates into the field of elementary or secondary education, and affords opportunities for college graduates engaged in other occupations or activities to enter or reenter the field of elementary or secondary education.

Approval of Programs; Grants

The Senate amendment (in pt. D of title V) authorized \$5 million annually for a 5-year program of assistance, through grant or contract, to institutions of higher education for developing and strengthening graduate and high quality undergraduate teacher training programs, for the purpose of obtaining an appropriate geographical distribution of high quality programs for the training of elementary and secondary school personnel. The Commissioner was to set forth in regulations the standards and priorities which would be utilized in approving such grants and contracts.

The Senate amendment also set out the standards which the Commissioner was to use in determining whether or not a graduate program of an institution of higher education would qualify for assistance under this part. Such a program must (1) improve the quality of teacher education, (2) give major emphasis to high-quality substantive courses, (3) either be in effect or be attainable as a result of assistance received under this part, and (4) be open only to those with a serious intent to pursue a career in education.

Section 524 of the conference substitute adopts the provisions relating to assistance to graduate programs at institutions of higher education, but integrates this program of institutional assistance with the fellowship program by permitting assistance only to institutions participating in the fellowship program. The separate money authorization for assistance to institutions is omitted.

Stipends

The Senate amendment provided that a fellowship for recent graduates carries a stipend

end of \$2,000 for the first academic year and \$2,200 for the second year. A fellowship for experienced teachers carried a stipend of \$4,800 for each academic year of study. An additional \$400 per year would be paid to each fellowship recipient for each of his dependents.

The Senate amendment authorized the payment of \$3,000 per academic year to the institution of higher education where a recipient of a fellowship is studying. This amount will be less any amount charged any such recipient for tuition. The Commissioner was also authorized to reimburse a fellowship recipient for necessary traveling expenses of the recipient and his dependents.

The conference substitute permits the Commissioner to pay to persons awarded fellowships such stipends (including such allowances for subsistence and other expenses for such members and their dependent) as he may determine to be consistent with prevailing practices under comparable federally supported programs. In addition, the Commissioner will pay to the institution of higher education at which such person is pursuing his course of study an amount equivalent to \$2,500 per academic year, less any amount charged such person for tuition and nonrefundable fees and deposits.

Limitation

The conference report adopts the provision of the Senate amendment which provides that no fellowship shall be awarded for study at a school or department of divinity, which means an institution or department or branch of an institution, whose program is specifically for the education of students to prepare them to enter upon some religious vocation.

Fellowship Conditions

The Senate amendment provided that a recipient must, in order to remain eligible for his fellowship payments, maintain satisfactory proficiency in, and devote essentially full time to, study or research in the field in which such fellowship was awarded, in an institution of higher education, and must not engage in gainful employment other than part-time employment which has been approved by the Commissioner.

The conference report adopts this provision with an additional requirement that part-time employment be related to the recipient's training.

Appropriations

The Senate amendment authorized the appropriation of such amounts as may be necessary to carry out the provisions of this part. The conference substitute authorizes \$40,000,000 for fiscal year 1966; \$160,000,000 for fiscal year 1967; \$275,000,000 for fiscal year 1968; and such sums for the 2 succeeding fiscal years as may be necessary to enable persons who have been awarded fellowships prior to July 1, 1968, to complete their study under the fellowships.

TITLE VI—FINANCIAL ASSISTANCE FOR THE IMPROVEMENT OF UNDERGRADUATE INSTRUCTION

Part A—Equipment

Statement of Purpose and Authorization of Appropriations

The Senate amendment stated that the purpose of this part is to improve the quality of classroom instruction in selected subject areas in institutions of higher education, and authorized:

(1) The appropriation of \$35,000,000 for fiscal year 1966, \$50,000,000 for fiscal year 1967, and \$60,000,000 for fiscal years 1968, 1969, and 1970, to enable the Commissioner to make grants to institutions of higher education for the acquisition of equipment and for minor remodeling.

(2) The appropriation of \$2,500,000 for fiscal year 1966, and \$10,000,000 for fiscal years 1967, 1968, 1969, and 1970, to enable the Commissioner to make grants to institutions of higher education for the acquisition

(including purchase of lease) of television equipment and for minor remodeling.

(3) The appropriation of not more than \$1,000,000 for fiscal year 1966 and for each of the 4 succeeding fiscal years, to enable the Commissioner to make grants for the proper and efficient administration of State plans approved under this part, including expenses which he determines are necessary for the preparation of such plans.

The House bill contained no comparable provisions. The conference report adopts these provisions of the Senate amendment, but limits all of the authorizations to the first 3 years. For the fiscal years 1969 and 1970 only such sums may be appropriated as Congress hereafter authorizes by law.

Allotments to States

The Senate amendment provided that of the funds appropriated for any fiscal year for acquisition of equipment, one-half shall be allotted by the Commissioner among the States on the basis of the number of students enrolled in institutions of higher education in each State. The remaining one-half would be allotted by the Commissioner among the States in accordance with a formula which would take into account the college enrollment of each State and its relative per capita income.

The Senate amendment provided that a State's allotment under the preceding paragraph would be available in accordance with the provisions of this part for payment of the Federal share of the cost of equipment and minor remodeling.

The Senate amendment also provided for reallocation of unused State allotments.

The House bill contained no comparable provision. The conference report adopts this provision of the Senate amendment.

State Commissions and Plans

The Senate amendment required a State desiring to participate under this part to designate for that purpose an existing State agency which is broadly representative of the public and of institutions of higher education in the State. If no such State agency exists, the State may establish such an agency. The agency so designated or established (hereafter referred to as the "State commission") must submit to the Commissioner a State plan for participation. The Commissioner must approve any such plan which meets the following requirements: The plan must provide that it shall be administered by the State commission. It must set forth, consistently with basic criteria prescribed by regulation (A) objective standards and methods for determining the relative priorities of eligible projects for the acquisition of specified laboratory and other special equipment, including minor remodeling of classroom or other space used for such materials or equipment; (B) objective standards and methods for determining relative priorities of eligible projects for (1) the acquisition of television equipment for closed-circuit direct instruction in specified fields (but not broadcast transmission equipment), (ii) the acquisition of necessary instructional materials for use in such television instruction, and (iii) minor remodeling necessary for such television equipment; and (C) objective standards and methods for determining the Federal share of the cost of each such project.

The plan must also provide (A) for assigning priorities solely on the basis of such criteria, standards, and methods to eligible projects submitted to the State commission and deemed by it to be otherwise approvable under the provisions of this part; and (B) for approving and recommending to the Commissioner, in the order of such priority, applications covering such eligible projects, and for certifying to the Commissioner the Federal share, determined by the State com-

mission under the State plan, of the cost of the project involved. The plan must provide for affording to every applicant, which has submitted to the State commission a project, an opportunity for a fair hearing before the commission as to the priority assigned to the project or as to any other determination of the commission adversely affecting the applicant. Finally, the plan must provide for adequate fiscal control and fund accounting procedures and for the making of such reports as may be reasonably necessary to enable the Commissioner to perform his functions under this part.

The House bill contained no comparable provision. The conference report adopts this provision of the Senate amendment.

Basic Criteria for Determining Priorities, Federal Share, and Maintenance of Effort

The Senate amendment provided that as soon as practicable after the enactment of this act, the Commissioner shall by regulation prescribe basic criteria governing the provisions of State plans setting forth standards and methods for determining relative priorities of eligible projects, and governing the application of these standards and methods to eligible projects. These basic criteria must be such as will best tend to achieve the objectives of this part while leaving adequate flexibility for the development of State plan standards and methods. The basic criteria must give special consideration to the financial need of the institution. Subject to the foregoing requirements, these regulations may establish additional and appropriate basic criteria.

The Senate amendment also provided that the Federal share for the purposes of this part would be 50 percent of the cost of the project, except that a State commission may increase this share to not more than 80 percent of that cost in the case of any institution proving insufficient resources to participate in the program under this part and inability to acquire such resources. An institution of higher education which obtains a grant for a project pursuant to this part in any fiscal year must agree to expend during that year for the same purpose an amount at least equal to the amount expended by such institution for that purpose during the previous fiscal year.

The House bill contained no comparable provision. The conference report adopts this provision of the Senate amendment, with one change which would permit the Federal share to be less than 50 percent.

Applications for Grants and Conditions for Approval

The Senate amendment provided that institutions of higher education which desire to obtain grants under this part shall submit applications at such times and in such manner as may be prescribed by the Commissioner.

The Senate amendment also provided that the Commissioner must approve an application covering a project under this part and meeting the requirements of the preceding paragraph if the following conditions have been met: (1) The project has been approved and recommended by the appropriate State commission; (2) the State commission has certified to the Commissioner the Federal share of the cost of the project, and sufficient funds to pay such Federal share are available from the applicable allotment of the State; (3) the project has been assigned a priority that is higher than that of all other projects within such State (chargeable to the same allotment) which meet all the requirements of this section and for which Federal funds have not yet been reserved; (4) the Commissioner determines that the project will be undertaken in an economical manner and will not be overly elaborate or extravagant; and (5) the Commissioner determines that the application

contains or is supported by satisfactory assurances (A) that Federal funds received by the applicant will be used solely for the project covered by such application, (B) that sufficient funds will be available to meet the non-Federal portion of such cost and to provide for the effective use of the equipment upon completion, and (C) that the institution will meet the maintenance of effort requirement.

The House bill contained no comparable provision. The conference report adopts this provision of the Senate amendment.

Amount of Grant—Payment

The Senate amendment provided that upon his approval of any applications for a grant under this part, the Commissioner shall reserve from the applicable allotment the Federal share of the cost of the project covered by such application. The Commissioner's reservation of any amount under this section may later be amended by him.

The House bill contained no comparable provision. The conference report adopts this provision of the Senate amendment.

Administration of State Plans

The Senate amendment provided that the Commissioner shall not finally disapprove any State plan without first affording the State commission submitting the plan reasonable notice and opportunity for a hearing. It also provided for terminating the eligibility of a State whenever the Commissioner, after reasonable notice and opportunity for hearing to the State commission administering the State plan, finds that the State plan has been so changed that it no longer complies with the requirements for State plans, or that in the administration of the plan there is a failure to comply substantially with any such requirement.

The House bill contained no comparable provision. The conference report adopts this provision of the Senate amendment.

Judicial Review

The Senate amendment provided for judicial review if any State is dissatisfied with the Commissioner's final action with respect to the approval of its State plan submitted under this part or with his final action under the provisions relating to administration of State plans.

The House bill contained no comparable provision. The conference report adopts this provision of the Senate amendment.

Limitation on Payments

The Senate amendment provided that nothing contained in this part shall be construed to authorize the making of any payment under this part for any equipment or materials for religious worship or instruction.

The House bill contained no comparable provision. The conference report adopts a substitute for this provision prohibiting grants under this part for equipment or materials for sectarian instruction or religious worship, or primarily in connection with the program of a school or department of divinity.

Part B—Faculty development programs

Institutes Authorized

The Senate amendment authorized the appropriation of \$5 million for fiscal year 1966, and for each of the 4 succeeding fiscal years to enable the Commissioner to arrange, through grants or contracts, with institutions of higher education for the operation by them of short-term workshops or short-term or regular session institutes. These workshops and institutes would be for individuals who are engaged in (or preparing to engage in) the use of educational media equipment in teaching in institutions of higher education, or who are (or are preparing to be), in institutions of higher education, specialists in educational media or librarians or other specialists using such media.

The House bill contained no comparable provision. The conference report adopts this provision of the Senate amendment, but limits the authorization to 3 years.

Stipends

The Senate amendment provided that each individual who attends an institute operated under the provisions of this part shall be eligible to receive a stipend at the rate of \$75 per week for the period of his attendance at such institute, plus an additional stipend at the rate of \$15 per week for each dependent. No stipends shall be paid for attendance at workshops. The House bill contained no comparable provision. The conference report adopts this provision of the Senate amendment.

TITLE VII—AMENDMENTS TO HIGHER EDUCATION FACILITIES ACT OF 1963

Authorization of Appropriations

The House bill increased the authorization of appropriations for making grants under the Higher Education Facilities Act of 1963 for construction of undergraduate academic facilities for the fiscal year 1966 from \$230,000,000 to \$460,000,000. The Senate amendment increased the authorization to \$330,000,000. The conference substitute adopts the House figure.

The doubling of amounts for the construction of graduate academic facilities contained both in the House bill and the Senate amendment is intended to stimulate construction at all graduate schools, including those offering programs leading to a first degree in law.

Eligibility for Grants

The present act provides that one of the requirements a construction project must meet for approval is that it will result in an urgently needed substantial expansion of the institution's student enrollment capacity. The Senate amendment added, as an alternative, that it could result in such an expansion of its capacity to carry out extension and continuing education programs. The provision from the Senate amendment is included in the conference report, with an amendment making clear that the expansion of capacity must be for on-campus activities. The committee wishes to emphasize that the provisions of the existing act provide that special consideration will be given to projects designed to expand under-

graduate enrollment capacity and that funds may only be used for the construction of "academic facilities."

Transfers of Allotments

The Senate amendment contained a provision, not present in the House bill, which permitted, at the discretion of the Governor, the transfer of allotments for public community colleges and technical institutes to other public institutions of higher education, and the transfer of allotment for 4-year institutions to public community colleges and technical institutes. The conference agreed to a substitute under which either a State's allotment under section 103 for public community colleges and public technical institutes or its allotment under section 104 for other institutions could be transferred for use under the other section if the State commission has not received an application for grants under the section in question prior to January 1 of the year, and it requests such transfer.

Period of Availability of Funds

The Senate amendment provided that funds appropriated to carry out title II of the Higher Education Facilities Act of 1963 would be available for 3 years, and makes funds appropriated for title III thereof available for 2 years. These provisions are included in the conference report.

Change in Interest Rates

The present law provides that loans for construction of academic facilities shall bear interest at a rate related to the average annual interest rate on all interest-bearing obligations of the United States forming a part of the public debt. The Senate amendment added a provision, which was retained in the conference report, under which the interest rate on such loans would not exceed 3 percent a year.

TITLE VIII—GENERAL PROVISIONS

Definitions

The Senate amendment contained definitions of the terms "local educational agency", "State educational agency", and "elementary school". These terms were used in the provisions added by the Senate amendment which relate to fellowships for teachers and the National Teacher Corps.

The conferees, in adopting the provisions of the Senate amendment relating to teach-

er fellowships and the Teacher Corps, also adopted these definitions, but in doing so they omitted all reference to postsecondary vocational education in the definition of local educational agency.

Federal Administration

The Senate amendment contained a provision permitting the Commissioner to contract out the printing of educational matter. The Senate receded.

Federal Control of Education Prohibited

The House bill provided that nothing contained in this act or any other act shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the membership practices or internal operations of any fraternal organization, fraternity or sorority, any private club or any religious organization of any institution of higher education.

The Senate amendment limited the application of the House provision to fraternal organizations, fraternities or sororities, private clubs or religious organizations at institutions of higher education, whose facilities were not owned by the institution of higher education and whose activities were financed by funds derived from private sources.

The conference committee agreed to a substitute for the House and Senate provisions which provides that nothing contained in this act or any other act shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the membership practices or internal operations of any fraternal organization, fraternity, sorority, private club or religious organization at an institution of higher education (other than a service academy or the Coast Guard Academy) which is financed exclusively by funds derived from private sources and whose facilities are not owned by such institution.

ADAM C. POWELL,
CARL D. PERKINS,
EDITH GREEN,
JOHN BRADEMAS,
HUGH L. CAREY,
JOHN H. DENT,
SAM M. GIBBONS,
CARLTON R. SICKLES,

Managers on the Part of the House.

Authorizations under Higher Education Act of 1965

	Fiscal year 1966	Fiscal year 1967	Fiscal year 1968
Title I.....	\$25,000,000	\$50,000,000	\$50,000,000
Title II:			
Pt. A (library resources).....	50,000,000	50,000,000	50,000,000
Pt. B (training).....	15,000,000	15,000,000	15,000,000
Pt. C (Library of Congress).....	5,000,000	6,315,000	7,770,000
Title III.....	55,000,000	0	0
Title IV:			
Pt. A (grants).....	70,000,000	140,000,000	210,000,000
Pt. B:			
(Advances).....	17,500,000	0	0
(Interest subsidy).....	42,000,000	42,000,000	42,000,000
Pt. C (work-study).....	129,000,000	165,000,000	200,000,000
Pt. D (NDEA title III and XI).....	27,250,000	27,250,000	27,250,000
Title V:			
Pt. B (Teacher Corps).....	36,100,000	64,715,000	0
Pt. C (teacher fellowships).....	40,000,000	160,000,000	275,000,000
Title VI.....	43,500,000	66,000,000	76,000,000
Title VII.....	290,000,000	0	0
Total.....	\$45,350,000	796,280,000	953,020,000

NOTE.—Total 5-year authorizations in bill, \$2,584,650,000.

Estimated Federal payments under H.R. 9567, the Higher Education Act of 1965, as reported from conference, Oct. 14, 1965, for fiscal year 1966

	Total	Title I—community service and continuing education program ¹	Title IV				Title VI—Improvement of undergraduate instruction ²		Title VII—Amendment to title I, Public Law 88-204	
			A. Educational opportunity grants ³	C. College work-study ³	D. Amendment to NDEA		A. Equipment and minor remodeling	B. Television equipment and minor remodeling	A. Public community colleges and public technical institutes ⁴	B. Institutions of higher education other than public community colleges and public technical institutes ⁵
					Grants to public schools ³	Loans to private schools ⁴				
United States and outlying areas.....	\$501,500,000	\$25,000,000	\$70,000,000	\$129,000,000	\$8,800,000	\$1,200,000	\$35,000,000	\$2,500,000	\$50,600,000	\$179,400,000
50 States and District of Columbia.....	495,314,429	24,622,972	69,509,640	126,420,000	8,640,000	1,185,534	34,707,565	2,479,112	49,980,877	177,768,729
Alabama.....	8,950,379	449,510	936,069	3,029,566	225,583	5,893	491,672	35,119	1,103,589	2,673,378
Alaska.....	455,072	125,504	27,746	97,765	10,764	413	18,199	1,300	35,573	137,808
Arizona.....	4,865,674	258,126	768,675	1,140,977	88,087	6,220	415,680	29,692	412,398	1,745,719
Arkansas.....	5,575,516	297,811	628,261	1,874,014	119,766	2,405	325,725	23,266	688,208	1,616,070
California.....	48,037,325	1,943,751	7,142,144	10,439,829	574,835	77,129	3,982,867	284,491	3,898,398	19,693,881
Colorado.....	5,854,387	297,403	987,069	1,344,400	90,774	8,522	455,607	32,543	507,581	2,130,488
Connecticut.....	6,082,103	383,913	891,275	1,353,818	78,990	21,769	391,616	27,973	532,407	2,400,342
Delaware.....	1,136,273	150,600	137,300	261,495	15,231	3,780	62,734	4,481	84,874	415,778
Florida.....	12,660,002	676,395	1,597,150	3,355,431	257,293	17,095	869,972	62,141	1,416,638	4,407,887
Georgia.....	10,488,763	538,061	1,143,070	3,407,591	272,340	5,189	588,326	42,024	1,244,301	3,247,861
Hawaii.....	1,848,331	172,228	231,991	438,256	36,224	6,048	109,269	7,805	219,358	627,152
Idaho.....	2,104,924	170,188	278,479	498,841	44,361	1,752	144,753	10,339	248,834	707,377
Illinois.....	24,029,333	1,175,564	3,493,765	5,760,921	337,903	103,107	1,606,929	114,780	2,115,944	9,320,420
Indiana.....	12,811,175	593,966	1,977,240	3,030,536	231,112	25,136	916,944	65,496	1,315,490	4,655,255
Iowa.....	8,488,120	381,669	1,331,308	2,184,918	137,104	19,089	608,577	43,469	884,582	2,897,404
Kansas.....	6,967,004	327,192	1,147,010	1,695,883	107,839	10,120	545,024	38,930	694,392	2,400,614
Kentucky.....	8,495,343	422,373	1,031,923	2,635,634	196,912	17,267	540,351	38,597	987,748	2,624,538
Louisiana.....	10,253,671	455,631	1,342,456	3,118,731	232,316	27,800	697,290	49,807	1,152,320	3,177,320
Maine.....	2,446,879	200,895	279,357	619,550	53,374	7,062	143,613	10,259	313,838	818,931
Maryland.....	7,697,806	451,040	1,009,445	1,854,151	143,069	26,872	495,367	35,383	765,231	2,917,248
Massachusetts.....	15,051,233	641,506	2,624,724	3,338,757	170,172	51,494	1,179,636	84,260	1,271,102	5,689,582
Michigan.....	21,203,178	931,743	3,026,109	4,954,651	402,361	66,098	1,522,821	108,773	2,157,087	8,033,535
Minnesota.....	10,874,507	459,610	1,678,162	2,646,360	183,133	33,023	792,584	56,613	1,205,834	3,819,188
Mississippi.....	7,115,577	334,435	833,048	2,608,297	159,446	3,746	435,762	31,126	719,263	1,990,454
Missouri.....	11,781,416	556,322	1,752,600	3,154,942	177,670	32,680	822,666	58,762	1,080,912	4,144,862
Montana.....	2,136,896	171,616	316,719	508,523	40,030	4,089	146,853	10,490	223,394	715,182
Nebraska.....	4,364,380	249,965	667,488	1,115,886	69,282	11,134	315,603	22,543	427,444	1,495,035
Nevada.....	749,452	142,745	75,826	142,314	11,422	791	33,817	2,415	56,802	283,320
New Hampshire.....	1,862,806	167,229	288,789	387,522	30,260	6,942	131,689	9,407	195,672	645,296
New Jersey.....	11,948,521	779,840	1,319,222	2,796,100	199,287	58,263	641,177	45,799	1,419,796	4,689,037
New Mexico.....	2,888,306	203,343	360,430	758,766	69,750	5,326	193,365	13,812	305,768	977,746
New York.....	39,880,873	1,923,041	5,684,030	9,238,091	485,361	164,858	2,884,365	206,026	3,494,334	15,800,767
North Carolina.....	13,847,843	595,190	1,711,420	4,479,148	312,666	3,814	874,232	62,445	1,513,224	4,295,704
North Dakota.....	2,333,150	166,311	344,605	619,559	40,330	4,055	169,309	12,093	250,106	726,882
Ohio.....	24,455,004	1,135,471	3,432,966	5,715,356	465,958	74,826	1,658,946	118,496	2,652,781	9,200,204
Oklahoma.....	7,722,282	351,064	1,152,441	2,012,255	128,163	4,227	605,642	43,261	804,138	2,621,091
Oregon.....	5,702,672	291,792	916,775	1,270,059	87,512	6,907	432,915	30,922	564,296	2,101,494
Pennsylvania.....	27,539,278	1,272,276	3,636,394	6,696,149	471,322	120,375	1,786,082	127,577	3,395,160	10,033,943
Rhode Island.....	2,406,976	192,427	362,860	629,065	34,890	10,360	186,937	13,353	233,262	843,822
South Carolina.....	6,796,091	357,287	691,642	2,398,671	175,319	3,127	356,617	25,472	836,289	1,951,767
South Dakota.....	2,367,009	171,514	333,623	648,128	43,136	4,588	163,092	11,649	255,457	735,822
Tennessee.....	10,740,429	487,562	1,407,788	3,330,027	230,556	6,185	733,538	52,396	1,194,385	3,297,992
Texas.....	27,063,918	1,169,955	3,792,007	7,670,763	585,466	29,432	1,941,857	138,704	2,566,328	9,169,406
Utah.....	4,202,869	199,262	812,407	878,458	65,259	1,220	399,888	28,563	325,550	1,492,262
Vermont.....	1,438,133	140,399	232,950	329,370	22,047	3,539	109,919	7,851	130,448	461,610
Virginia.....	9,855,117	545,508	1,146,459	2,907,412	277,289	11,013	606,243	43,303	1,087,886	3,270,004
Washington.....	8,800,079	402,684	1,396,641	1,970,444	134,416	11,374	667,081	47,649	872,870	3,296,920
West Virginia.....	5,287,672	286,079	623,127	1,576,076	114,607	3,436	322,343	23,024	666,364	1,672,616
Wisconsin.....	11,581,219	519,187	1,743,943	2,722,735	201,808	50,188	826,789	59,056	1,281,365	4,176,148
Wyoming.....	1,029,634	134,482	226,387	226,387	17,728	756	67,522	4,823	87,858	345,510
District of Columbia.....	3,049,929	181,307	628,354	647,422	19,477	5,000	287,760	20,554	83,998	1,176,057
Outlying areas.....	6,185,571	377,029	490,360	2,580,000	160,000	14,466	292,435	20,888	619,123	1,631,271
American Samoa.....	47,148	27,255							6,930	12,706
Canal Zone.....	9,815		9,677							
Guam.....	123,854	32,019	9,167				6,862	490	21,142	53,17
Puerto Rico.....	3,206,720	288,612	470,209			12,457	284,825	20,344	582,454	1,547,81
Virgin Islands.....	58,034	29,142	1,307			618	748	54	8,597	17,56

¹ Estimated distribution of \$25,000,000, with a basic amount of \$100,000 to the 50 States, District of Columbia; and \$25,000 to American Samoa, Guam, Virgin Islands, and Puerto Rico; and the remainder distributed on the basis of the total resident population, July 1, 1966 (P-25, No. 317, Aug. 27, 1965).

² Estimated distribution of \$70,000,000 on the basis of fall 1964 full-time degree credit enrollment in institutions of higher education. Estimated distribution of \$129,000,000 (2 percent reserved for distribution to the outlying areas) with $\frac{1}{2}$ distributed on the basis of 1962-63 total high school graduates (table, rev. Mar. 31, 1964); $\frac{1}{2}$ on the basis of fall 1964 full-time degree-credit enrollment in institutions of higher education; $\frac{1}{2}$ on the basis of the estimated "related children under 18" in families with incomes of less than \$3,000 p.a. (PC (1) D Series, 1960 census, table 140). This \$129,000,000 includes the full authorization under an amendment to the Economic Opportunity Act of 1964.

³ Estimated distribution of additional amount of \$10,000,000 with 1.6 percent reserved for allotment to the outlying areas and 12 percent reserved for loans to nonprofit private

schools; the balance (\$8,640,000) distributed on the basis of the products of the NDEA allotment ratios for fiscal years 1966 and 1967 and the 5-17 population, July 1, 1963.

⁴ Estimated distribution of 12 percent of \$10,000,000 on the basis of nonpublic school enrollment.

⁵ Estimated distribution of \$35,000,000 and \$2,500,000 with $\frac{1}{2}$ distributed on the basis of the total full-time and full-time equivalent degree-credit and nondegree-credit enrollment in institutions of higher education, fall 1964 and $\frac{1}{2}$ on the basis of State products of fiscal year 1966 allotment ratios (Public Law 88-204) and this fall 1964 enrollment.

⁶ Estimated distribution of additional amount of \$230,000,000 under title I, Public Law 88-204. 22 percent distributed on the basis of the fiscal year 1966 allotment ratios and the total high school graduates for public community colleges and public technical institutes; 78 percent distributed with $\frac{1}{2}$ distributed on the basis of enrollment as in footnote 5, and $\frac{1}{2}$ distributed on the basis of the total public and nonpublic grade 9 to 12 enrollment, fall 1964.

Estimated Federal payments under H.R. 9567, the Higher Education Act of 1965, for fiscal year 1967¹

	Total	Title I— Community service and continuing education program ²	Title IV				Title VI—Improvement of undergraduate instruction ³	
			A. Educational opportunity grants ⁴	C. College work-study ⁵	D. Amendment to NDEA		A. Equipment and minor remodeling	B. TV equip- ment and minor remodeling
					Grants to public schools ⁶	Loans to private schools ⁷		
United States and outlying areas...	\$355,000,000	\$50,000,000	\$70,000,000	\$165,000,000	\$8,800,000	\$1,200,000	\$50,000,000	\$10,000,000
50 States and District of Columbia...	349,807,046	49,273,191	69,509,640	161,700,000	8,640,000	1,185,534	49,582,235	9,916,446
Alabama.....	6,771,162	890,810	936,069	3,869,940	225,583	5,893	702,389	140,478
Alaska.....	353,346	157,707	27,746	125,517	10,764	413	25,999	5,200
Arizona.....	3,469,205	457,780	768,675	1,435,849	88,087	6,220	593,828	118,766
Arkansas.....	4,272,510	547,572	628,251	2,416,131	119,766	2,405	465,321	93,064
California.....	32,388,324	4,271,721	7,142,144	13,494,720	574,835	77,129	5,689,813	1,137,962
Colorado.....	4,154,898	546,649	987,069	1,740,843	90,774	8,522	650,867	130,174
Connecticut.....	4,177,240	742,389	891,275	1,771,477	78,990	21,769	559,450	111,890
Delaware.....	815,592	214,490	137,300	337,247	15,231	3,780	89,620	17,924
Florida.....	9,129,875	1,404,167	1,597,150	4,362,787	257,293	17,095	1,242,819	248,564
Georgia.....	7,939,376	1,091,167	1,143,070	4,419,051	272,340	5,189	840,466	168,093
Hawaii.....	1,270,029	263,425	231,991	545,023	36,224	6,048	156,098	31,220
Idaho.....	1,440,060	258,808	278,479	608,512	44,361	1,752	206,790	41,368
Illinois.....	16,586,322	2,533,600	3,493,765	7,363,212	337,903	103,107	2,295,613	459,122
Indiana.....	8,880,520	1,217,660	1,977,240	3,857,468	2,231,112	25,136	1,309,920	261,984
Iowa.....	5,993,815	737,311	1,331,308	2,725,728	137,104	19,098	869,396	173,879
Kansas.....	4,912,397	614,050	1,147,010	2,099,050	107,839	10,120	778,606	155,722
Kentucky.....	6,394,748	829,410	1,031,923	3,392,921	196,912	17,267	771,929	154,386
Louisiana.....	7,775,558	904,660	1,342,456	4,072,972	232,316	27,800	996,128	199,226
Maine.....	1,686,336	328,287	279,357	772,061	53,374	7,062	205,163	41,032
Maryland.....	5,323,236	894,273	1,009,445	2,400,375	143,069	26,872	707,668	141,534
Massachusetts.....	10,487,022	1,325,225	2,624,724	4,293,176	170,172	51,494	1,685,193	337,038
Michigan.....	14,271,717	1,981,925	3,026,109	6,184,673	402,361	66,098	2,175,449	435,092
Minnesota.....	7,666,592	913,662	1,678,162	3,399,898	183,133	33,023	1,132,262	226,452
Mississippi.....	5,751,732	630,438	833,048	3,378,033	159,446	3,746	622,518	124,503
Missouri.....	8,412,679	1,132,485	1,752,600	3,906,961	177,670	32,680	1,175,236	235,047
Montana.....	1,516,997	262,040	316,719	642,372	40,030	4,089	209,789	41,958
Nebraska.....	3,111,380	439,314	657,488	1,393,128	69,282	11,134	450,862	90,172
Nevada.....	537,064	196,716	75,826	194,338	11,422	791	48,309	9,662
New Hampshire.....	1,316,789	252,114	288,789	512,932	30,260	6,942	188,127	37,625
New Jersey.....	7,985,232	1,638,225	1,319,222	3,671,074	199,277	58,263	915,967	183,194
New Mexico.....	2,074,706	333,827	360,430	973,891	69,760	5,326	276,235	55,247
New York.....	27,456,572	4,224,863	5,684,030	11,952,834	485,351	164,858	4,120,522	824,104
North Carolina.....	10,441,066	1,220,430	1,711,420	5,694,053	312,666	3,814	1,248,903	249,780
North Dakota.....	1,693,097	250,037	344,505	763,927	40,330	4,055	241,869	48,374
Ohio.....	16,615,651	2,442,885	3,432,966	7,355,109	466,958	74,826	2,360,923	473,984
Oklahoma.....	5,539,790	668,063	1,152,441	2,548,651	128,163	4,227	865,204	173,041
Oregon.....	3,904,026	533,953	916,775	1,616,740	87,512	6,907	618,449	123,690
Pennsylvania.....	18,729,919	2,752,423	3,636,394	8,687,551	471,322	120,375	2,551,545	510,309
Rhode Island.....	1,730,002	309,128	362,860	692,301	34,890	10,360	267,053	53,410
South Carolina.....	5,260,359	682,143	691,542	3,096,884	175,319	3,127	509,453	101,891
South Dakota.....	1,739,523	261,809	333,623	816,782	43,136	4,588	232,987	46,598
Tennessee.....	8,119,148	976,908	1,407,788	4,240,216	230,556	6,185	1,047,912	209,563
Texas.....	19,861,110	2,498,284	3,792,007	9,627,023	585,466	29,432	2,774,082	554,816
Utah.....	2,984,709	324,594	812,407	1,095,705	65,259	1,220	571,270	114,254
Vermont.....	1,049,856	191,407	232,950	411,481	22,047	3,539	157,027	31,405
Virginia.....	7,252,819	1,108,018	1,146,459	3,710,766	237,289	11,013	866,062	173,212
Washington.....	5,968,056	784,861	1,396,641	2,497,197	134,416	11,374	952,972	190,595
West Virginia.....	3,823,765	521,027	623,127	2,008,980	114,607	3,436	460,490	92,088
Wisconsin.....	7,880,039	1,048,464	1,743,943	3,418,284	201,808	50,188	1,181,127	236,225
Wyoming.....	736,386	178,019	144,568	279,563	17,728	756	96,460	19,292
District of Columbia.....	2,264,694	283,968	628,354	824,593	19,477	5,000	411,085	82,217
Outlying areas.....	5,192,954	726,809	490,360	3,300,000	160,000	14,466	417,765	83,554
American Samoa.....	30,358	30,101				257		
Canal Zone.....	9,815		9,677			138		
Guam.....	62,808	40,881	9,167			996	9,803	1,961
Puerto Rico.....	1,592,394	621,455	470,209			12,457	406,894	81,379
Virgin Islands.....	37,579	34,372	1,307			618	1,068	214

¹ No authorization as yet for title VII, for fiscal year 1967.² Estimated distribution of \$50,000,000, with a basic amount of \$100,000 to the 50 States, District of Columbia; and \$25,000 to American Samoa, Guam, Virgin Islands, and Puerto Rico; and the remainder distributed on the basis of the total resident population, July 1, 1964 (P-25, No. 317, Aug. 27, 1965).³ Estimated distribution of \$70,000,000 on the basis of fall 1964 full-time degree credit enrollment in institutions of higher education. Estimated distribution of \$165,000,000 (2 percent reserved for distribution to the outlying areas) with 1/2 distributed on the basis of 1963-64 total high school graduates; 1/2 on the basis of fall 1964 full-time degree-credit enrollment in institutions of higher education; 1/2 on the basis of the estimated "related children under 18" in families with incomes of less than \$3,000 per annum (PC

(1) D series, 1960 census, table 140). This \$165,000,000 includes the full authorization under an amendment to the Economic Opportunity Act of 1964.

⁴ Estimated distribution of additional amount of \$10,000,000 with 1.6 percent reserved for allotment to the outlying areas and 12 percent reserved for loans to nonprofit private schools; the balance (\$8,640,000) distributed on the basis of the products of the NDEA allotment ratios for fiscal years 1966 and 1967 and the 5-17 population, July 1, 1963.⁵ Estimated distribution of 12 percent of \$10,000,000 on the basis of non-public-school enrollment.⁶ Estimated distribution of \$50,000,000 and \$10,000,000 with 1/2 distributed on the basis of the total full-time and full-time equivalent degree-credit and non-degree-credit enrollment in institutions of higher education, fall 1964 and 1/2 on the basis of State products of fiscal year 1966 allotment ratios (Public Law 88-204) and this fall 1964 enrollment.

Estimated Federal payments under H.R. 9567, the Higher Education Act of 1965, for fiscal year 1968¹

	Total	Title I— community service and continuing education program ²	Title IV				Title VI—Improvement of undergraduate instruction ⁴	
			A. Educational opportunity grants ³	C. College work-study ³	D. Amendment to NDEA		A. Equipment and minor remodeling	B. TV equip- ment and minor remodeling
					Grants to public schools ⁴	Loans to private school ⁴		
United States and outlying areas...	\$400,000,000	\$50,000,000	\$70,000,000	\$200,000,000	\$8,800,000	\$1,200,000	\$60,000,000	\$10,000,000
50 States and District of Columbia...	394,023,493	49,273,191	69,509,640	196,000,000	8,640,000	1,185,534	59,498,682	9,916,446
Alabama	7,732,535	890,810	936,069	4,690,835	225,583	5,893	842,867	140,478
Alaska	385,170	157,707	27,746	152,141	10,764	413	31,199	5,200
Arizona	3,892,544	457,780	768,675	1,740,422	88,087	6,220	712,594	118,766
Arkansas	4,878,087	547,572	628,251	2,928,644	119,766	2,405	558,385	93,064
California	36,388,803	4,271,721	7,142,144	16,357,237	574,835	77,129	6,827,775	1,137,962
Colorado	4,654,340	546,649	987,069	2,110,111	90,774	8,522	781,041	130,174
Connecticut	4,664,900	742,389	891,275	2,147,246	78,990	21,769	671,341	111,890
Delaware	905,054	214,490	137,300	408,785	15,231	3,780	107,544	17,924
Florida	10,303,878	1,404,167	1,597,150	5,288,227	257,293	17,095	1,491,382	248,564
Georgia	9,044,844	1,091,167	1,143,070	5,356,426	272,340	5,189	1,008,559	168,093
Hawaii	1,416,860	263,425	231,991	660,634	36,224	6,048	187,318	31,220
Idaho	1,610,496	258,808	278,479	737,590	44,361	1,752	248,148	41,358
Illinois	18,607,337	2,533,600	3,493,765	8,925,106	337,903	103,107	2,754,734	459,122
Indiana	9,960,753	1,217,660	1,977,240	4,675,717	231,112	25,136	1,571,904	261,984
Iowa	6,745,878	737,311	1,331,308	3,303,912	137,104	19,089	1,043,275	173,879
Kansas	5,513,371	614,050	1,147,010	2,544,303	107,839	10,120	934,327	155,722
Kentucky	7,268,846	829,410	1,031,923	4,112,633	196,912	17,267	926,315	154,386
Louisiana	8,838,747	904,660	1,342,456	4,936,935	232,316	27,800	1,195,354	199,236
Maine	1,891,138	328,287	279,357	935,831	53,374	7,062	246,195	41,032
Maryland	5,973,940	894,273	1,009,445	2,909,546	143,069	26,872	849,201	141,534
Massachusetts	11,734,736	1,325,225	2,624,724	5,203,851	170,172	51,494	2,022,232	337,038
Michigan	16,018,709	1,981,925	3,026,109	7,496,573	402,361	66,098	2,610,551	435,092
Minnesota	8,514,235	913,662	1,678,162	4,121,088	183,133	33,023	1,358,715	226,452
Mississippi	6,592,787	630,438	833,048	4,094,585	159,446	3,746	747,021	124,503
Missouri	9,476,475	1,132,485	1,752,600	4,735,709	177,670	32,680	1,410,284	235,047
Montana	1,695,215	262,040	316,719	778,632	40,030	4,089	251,747	41,958
Nebraska	3,497,064	439,314	657,488	1,688,640	69,282	11,134	541,034	90,172
Nevada	587,950	196,716	75,826	235,562	11,422	791	57,971	9,662
New Hampshire	1,463,218	252,114	288,789	621,736	30,260	6,942	225,752	37,625
New Jersey	8,947,139	1,638,225	1,319,222	4,449,788	199,287	58,263	1,099,160	183,194
New Mexico	2,336,537	333,827	360,430	1,180,474	69,750	5,326	331,483	55,247
New York	30,816,127	4,224,863	5,684,030	14,488,285	485,361	164,858	4,944,626	824,104
North Carolina	11,898,676	1,220,430	1,711,420	6,901,882	312,666	3,814	1,498,684	249,780
North Dakota	1,903,516	250,037	344,505	925,973	40,330	4,055	290,242	48,374
Ohio	18,649,810	2,442,885	3,432,966	8,915,283	465,958	74,826	2,843,908	473,984
Oklahoma	6,253,454	668,063	1,152,441	3,089,274	128,163	4,227	1,038,245	173,041
Oregon	4,370,660	533,953	916,775	1,959,684	87,512	6,907	742,139	123,690
Pennsylvania	21,083,042	2,752,423	3,636,394	10,530,364	471,322	120,375	3,061,855	510,309
Rhode Island	1,930,264	309,128	362,860	839,153	34,890	10,360	320,463	53,410
South Carolina	6,019,166	682,143	691,542	3,753,800	175,319	3,127	611,344	101,891
South Dakota	1,959,377	261,809	333,623	990,038	43,136	4,588	279,585	46,598
Tennessee	9,228,168	976,908	1,407,788	5,139,655	230,556	6,185	1,257,493	209,583
Texas	22,458,021	2,498,284	3,792,007	11,669,119	585,466	29,432	3,328,897	554,816
Utah	3,331,385	324,594	812,407	1,328,128	65,259	1,220	685,523	114,254
Vermont	1,168,547	191,407	232,950	498,765	22,047	3,539	188,434	31,405
Virginia	8,213,162	1,108,018	1,146,459	4,497,897	237,289	11,013	1,039,274	173,212
Washington	6,688,360	784,861	1,396,641	3,026,906	134,416	11,374	1,143,567	190,595
West Virginia	4,342,011	521,027	623,127	2,435,128	114,607	3,436	552,588	92,098
Wisconsin	8,841,356	1,048,464	1,743,943	4,143,376	201,808	50,188	1,417,352	236,225
Wyoming	814,978	178,019	144,568	338,863	17,728	756	115,752	19,292
District of Columbia	2,511,827	283,968	628,354	999,508	19,477	5,000	493,303	82,217
Outlying areas	5,976,507	726,809	490,360	4,000,000	160,000	14,466	501,318	83,554
American Samoa	30,358	30,101						
Canal Zone	9,815		9,677			138		
Guam	64,769	40,881	9,167			996	11,764	1,961
Puerto Rico	1,673,772	621,455	470,209			12,457	488,272	81,379
Virgin Islands	37,793	34,372	1,307			618	1,282	214

¹ No authorization as yet for title VII, for fiscal year 1968.

² Estimated distribution of \$50,000,000, with a basic amount of \$100,000 to the 50 States, District of Columbia; and \$25,000 to American Samoa, Guam, Virgin Islands, and Puerto Rico; and the remainder distributed on the basis of the total resident population, July 1, 1964 (P-25, No. 317, Aug. 27, 1965).

³ Estimated distribution of \$70,000,000 on the basis of fall 1964 full-time degree credit enrollment in institutions of higher education. Estimated distribution of \$200,000,000 (2 percent reserved for distribution to the outlying areas) with $\frac{1}{4}$ distributed on the basis of 1963-64 total high school graduates; $\frac{1}{4}$ on the basis of fall 1964 full-time degree-credit enrollment in institutions of higher education; $\frac{1}{4}$ on the basis of the estimated "related children under 18" in families with incomes of less than \$3,000 per annum (PC (1) D series, 1960 census, table 140). This \$200,000,000 includes the full authorization under an amendment to the Economic Opportunity Act of 1965.

⁴ Estimated distribution of additional amount of \$10,000,000 with 1.6 percent reserved for allotment to the outlying areas and 12 percent reserved for loans to nonprofit private schools; the balance (\$8,640,000) distributed on the basis of the products of the NDEA allotment ratios for fiscal years 1966 and 1967 and the 5-17 population, July 1963.

⁵ Estimated distribution of 12 percent of \$10,000,000 on the basis of nonpublic school enrollment.

⁶ Estimated distribution of \$60,000,000 and \$10,000,000 with $\frac{1}{4}$ distributed on the basis of the total full time and full-time equivalent degree-credit and nondegree-credit enrollment in institutions of higher education, fall 1964 and $\frac{1}{2}$ on the basis of State products of fiscal year 1966 allotment ratios (Public Law 88-204) and this fall 1964 enrollment.

Mr. MORSE. Mr. President, in my judgment, the report of the House managers clearly sets forth the agreements arrived at and I shall take only a few minutes to discuss and amplify, for the purpose of legislative history, upon a few of the points.

TITLE I: COMMUNITY SERVICE AND CONTINUING EDUCATION PROGRAMS

As stated in the report of the House managers, title I has been rewritten in part to bring together the concepts of both bills. It was our concern in title I to protect to the best of our ability the great programs of continuing and exten-

sion education which need strengthening if they are to be used as an effective tool in the solution of community problems.

In the House version as we went into conference, the program was concentrated only in the urban and suburban areas. The Senate version broadened this concept to include all of the areas of our country. You will note from the House managers' report that it was our agreement that "the enumeration of rural, urban, and suburban is not intended to exclude rural nonfarm areas." In ordinary usage, we tend to think of the term rural as being synonymous with

agricultural areas. The language in the report of the managers to which the Senate conferees fully subscribe makes it perfectly clear that rural nonfarm areas, such as those in which our small mining communities in many States are to be found, and small communities within the domain of our great forests, are also eligible, for the benefits of this act.

I should like to pay tribute at this point to Senator DOMINICK, who stood with us shoulder to shoulder in defending the Senate bill. His help was greatly

appreciated by me in this and other areas of the bill.

I call to the attention of the Senate further the language of the House managers in the report where it is stated that "where course offerings are involved they must be university extension or continuing education courses and either fully acceptable toward a college degree or of college level as determined by the institution offering the course."

It was our agreement, and I am sure that it has been so stated by the chairman of the House managers in the House debate, that this restriction is not intended, however, to preclude the use of funds under title I to support workshops, meetings, and short-term institutes which are held in conjunction with a continuing education program of an institution of higher education, nor is this restriction intended to deny funds for use by an institution of higher education in connection with its educational TV programs. It was our intent to make sure that the courses offered to individuals under the authorities of this title be of high quality. It was further our intent and again it is my understanding that this was made clear during the House debate, that the conferees did not wish to have the authorities of this title used to fund programs being carried on under other Federal programs, and that it was specifically our intent that no funding of agricultural or home economics or courses in rural areas be permitted, but that home economics offerings in urban and suburban areas could be supported.

At this point, Mr. President, I should like to say a word about the duration of title I, and for that matter of all titles under this bill.

The Senate will recall that we went into conference with the Senate bill which provided for 5 years' duration and funding for each title. The House version of the bill in effect authorized programs for only 1 year, since only 1 year's funding was provided.

The matter was discussed at great length, and here I wish to pay tribute to the firm support given me by Senator RANDOLPH, particularly in making it clear that while the Senate was willing to arrive at an equitable compromise between the two figures, it was not prepared to surrender. Our final result then was that with the exception of two titles, a 3-year period of authorization and funding was had in the conference substitute.

The two exceptions to the 3-year concept are to be found in titles III and V, Part A. I will be candid with the Senate with regard to title III. There was such resistance to the Senate addition of the junior and community college program that at one time it was suggested that perhaps the way of wisdom might be the dropping in its entirety of title III. This, of course, could not be accepted but we reluctantly agreed to making this a 1-year program on the understanding that next spring we shall do our best to reopen the question through separate legislation to seek to achieve a continuation of the program in fiscal years 1966 and 1967.

In a similar fashion, we reluctantly agreed to accept only a 2-year duration for the Teacher Corps proposal in title V. This title, much to the surprise of the Senate conferees, early appeared to be in difficulty and as the Senate is aware, it was strongly indicated by the minority on the House side that in this area they would strive to have the bill recommitted to conference with instructions from the House to delete the program.

In the final areas of title I, which by and large bears the strong imprint of the Senate concept, there were two places in which we did not achieve all that we would have liked to achieve.

Despite the best efforts of all of us and particularly Senator JAVITS, we were unable to retain the administration recommendation that 20 percent of the funds appropriated under title I be reserved by the Commissioner for grants and contracts for experimental projects and supplemental grants. We indicated our willingness to accept less than the 20 percent and we indicated our willingness to accept language which would have reserved these funds for projects covering more than one State, but on this point we were unable to prevail and when we were advised that the administration would not consider this to be so vital as to imperil the bill, we reluctantly acceded, as in a similar fashion we accepted the change in section 105 on the use of tuition fees for matching purposes.

I am pleased to report, however, that we were able to convince the House conferees of the merits of many of the other Senate provisions which were not originally to be found in the House version of the bill, such as the Advisory Council language which was strongly urged upon us in our own deliberations by Senator KENNEDY of New York, which should result in recommendations for further legislative action to bring about what we all feel to be highly desirable: the coordination of all extension type programs.

The Presidentially appointed National Advisory Council on Extension and Continuing Education will, I feel, serve a most useful purpose in achieving our desire.

I am also pleased that the conference version of the bill contains Senate language with respect to the prohibition of the use of these funds for activities and service related to sectarian instruction and religious instruction, and that the interests of our small States were protected through the adoption of the Senate provision which would authorize at least \$25,000 in each State for the administration of the program.

TITLE II: COLLEGE LIBRARY ASSISTANCE AND LIBRARY TRAINING AND RESEARCH

The report of the House managers on title II is very clear and sets forth the basis of the agreements we reached. This was for the most part a noncontroversial title because both sides have recognized the importance in building library strength as an essential key to the sound education of our college and university students. In the long run, title II of the Higher Education Act may very well prove to be one of the most useful

aids in the bill. In only one area was there a sharp difference of opinion, and that referred to the institutes for librarians now being carried on under title XI of the National Defense Education Act.

Under the House version of the bill, this program, which has just barely gotten underway, would have been terminated on June 30 of next year. It was our position that we would take no action on the repealer of the library institutes in this bill.

The House conferees felt that since we were giving, in title II-B, equivalent training authorities, the National Defense Education Act authority was a duplication.

The final conference reconciliation of these two viewpoints, I am sure, pleases neither party, but we were successful in delaying the termination date by 1 year. It is my hope that the administration will move rapidly and effectively in the title II area so that the training so many of our librarians need, if they are to perform their function under this and other acts, can be expedited.

TITLE III: STRENGTHENING DEVELOPING INSTITUTIONS

As I previously noted, title III was a controversial title in conference. While we have authorized the funding of this program in the full amount of the Senate bill at \$55 million, we gave ground on duration.

It is my intention as chairman of the Education Subcommittee to start work early next year to provide the additional time needed for this program so that this program may fulfill its promise. In passing, I am pleased to note that the conference version of the bill does contain language providing for the strengthening of the administration of these developing institutions and that the final version contains the language suggested to us by Senator FULBRIGHT with respect to the exchange of personnel between the developing institution and a host institution with whom it is working.

TITLE IV: STUDENT ASSISTANCE

I am pleased that the conference version of the bill which is now before the Senate contains in part A under the term "educational opportunity grants," the substance of the independently funded scholarship provisions of the Senate version of the bill.

This has been a long and deeply rooted source of disagreement between House and Senate. In the 87th Congress, similar provisions prevented the first higher education facilities construction act from becoming law. We have advanced a long way since that time.

I am particularly pleased that while we have adopted many of the details of the House language with regard to the criteria upon which youngsters will be selected for the benefits of the program and the formula under which these educational grants will be awarded to institutions, the main principle has finally become accepted by the Congress of the United States.

It is a most significant forward step in opening the door to talent of young people whose economic circumstances are such that without this aid they might

never be able to attain their full potential of service to our society.

Part B of title IV, the guaranteed reduced interest loan provision, was resolved most favorably from the Senate standpoint. I am pleased to note that the effective support given by Senator YARBOROUGH, in particular to moratorium provision applying to members of the Armed Forces and members of the Peace Corps, is in the bill as it now stands.

The conference version of the bill contains one provision which lowers the insurance from 90 percent to 80 percent of the unpaid principal. This change, which will permit the State of Michigan to participate in the program, was urged upon us and we accepted it. This point should have been mentioned in the statement of the House managers, but I am informed, it was inadvertently omitted. Now, Mr. President, I should like to pay my personal tribute to the wonderful support Senator McNAMARA has given me at every stage in the process of the legislation, from our hearings through committee, on the floor and in conference.

I should also like to say, Mr. President, that it is the expectation of the conferees that those who borrow under the insured loan program will borrow on the basis of need and not with any intention of reinvestment.

Part C of title IV, the college work-study program, is substantially as it passed the Senate.

Part D of title IV, concerns amendments made to the National Defense Education Act of 1958 to strengthen the administration of the title II student loan program.

None of these amendments appeared in the House version of the bill. All had the support of the administration and are in the conference substitute. There was, however, in this area one new concept which came from the distinguished ranking member on the minority side of the Education Subcommittee, the able Senator from Vermont [Mr. PROUTY]. The Prouty amendment, which gives 100 percent forgiveness of a National Defense Education Act loan to a teacher who serves in a poverty connected school, was resisted by our friends on the House side. However, the very able Senator from Vermont was able to show the value of this provision so clearly that the House receded on this point. It was not easy for them to do so. The fact that they did so is a great tribute to Senator PROUTY.

I am very much pleased to report that titles III and XI of the National Defense Education Act have been strengthened by adding to the former the subject matter of economics and to the institute provisions institutes for the training of teachers of economics, civics and industrial arts. Here, too, the able support of the Senator from Vermont was of material assistance in upholding the Senate language.

TITLE V: TEACHER PREPARATION PROGRAMS

Title V, the teacher preparation programs, did not appear in the House bill. Consequently, the entire title V program was the subject of much discussion. Fortunately, the House Committee on Education and Labor had reported a bill

which contained analogous provisions, and, therefore, we were able to come to a meeting of minds on the title V programs.

Essentially, the Teacher Corps provisions of part A reflect the hard work of Senators KENNEDY of Massachusetts and NELSON, of Wisconsin.

Part B, the fellowship concepts, are patterned upon the administration bill, which I had the privilege of introducing, together with Senators KENNEDY and NELSON and which was introduced in the House by Representative BRADEMAs. I regret that we were unable to retain in the fellowship provisions the provision relating to postsecondary vocational education teachers. I can only say that we tried hard, but it was the feeling of the House conferees that this area could perhaps be best dealt with in legislation we shall be considering next session in the vocational education field.

I would call particular attention in this fellowship area to the fact that although there are no longer percentage reservations for ancillary fields as in the Senate version, the conference bill in section 521 carries the language, "for the purpose of this part the term 'career in elementary and secondary education' means a career of teaching in elementary or secondary schools, a career of teaching, guiding, or supervising such teachers or persons who plan to become such teachers, or a career in fields which are directly related to teaching in work, guidance and counseling, educational media, and special education for handicapped children."

As chairman of the Education Subcommittee of the Senate Committee on Labor and Public Welfare, I want to place the Office of Education on notice that I shall be reviewing the fellowship program in the year ahead to assure myself and the members of my committee that these ancillary fields have not been neglected in the award of fellowships. I particularly want to make the point that in my view, as manager of the bill on the Senate side, the language in this part of title V is clearly designed to supplement other training sources which may be available under other acts and that I do not believe that the Office of Education would be justified in withholding fellowships under this part from career teachers or those intending to teach on the basis of any rationalization that training opportunities for these personnel may exist under other authorities. The need is too great for school librarians, guidance counselors, special education for handicapped children workers, and the other fields for us to neglect any possible assistance which can be given to dedicated teaching personnel specializing in these areas. We need all we can train and we should be imaginative in applying every resource at our command to assure that, to the fullest extent we can, we provide financial sinews to these disciplines.

TITLE VI: FINANCIAL ASSISTANCE FOR THE IMPROVEMENT OF UNDERGRADUATE INSTRUCTION

I am very pleased to be able to report to the Senate the House concurrence in title VI, a new title added by the Senate, has been secured.

Title VI was designed to bring to institutions of higher education the types and kinds of authorities now available to public schools under title III and title XI of the National Defense Education Act. The new title VI commanded a great deal of unified support on the part of the Senate conferees and I am able to say it had widespread acceptance on the House side.

In title VI, I note that it was the understanding of the conferees that the term, "acquisition of equipment" should be broadly construed to cover leasing arrangements as well as purchase.

I would also note that since we were extending this program to institutions of higher education, it is my hope, and I am sure that of my colleagues, that every effort will be made by the Office of Education to proceed speedily in the establishment of the institutes described under part B for faculty development programs. This portion of the bill, which is analogous to title XI of the National Defense Education Act, in my judgment offers the best route for bringing into being efficient use of the money expended for the acquisition and use of the equipment obtained under part A.

TITLE VII: AMENDMENTS TO THE HIGHER EDUCATION FACILITIES ACT OF 1963

Mr. President, I now turn to title VII, the amendments to the Higher Education Facilities Act of 1963. I call attention to the language of the report of the managers on the House side with respect to this title.

While the Senate conferees acceded to House funding figures, we did so after having secured House approval of types of academic facilities construction which previously have been overlooked. I refer particularly to the eligibility added by the bill for continuing education centers to be built on campus, which was strongly urged upon the Senate committee by Dr. Flemming, the former Secretary of Health, Education, and Welfare, now president of the University of Oregon. I am very pleased that the conference bill contains provision for these badly needed facilities, and I would call to the attention of the Office of Education the provision in the report of the House managers which sets forth the conference intent with respect to graduate schools, which was designed to make perfectly clear our belief that graduate school construction is broad enough to comprehend construction of facilities to house programs leading to a first degree in law.

I am pleased to report also that the conference bill permits the interchange of 4-year money and 2-year money for undergraduate construction, if the State commission finds this desirable and if the State commission has not received an eligible application for the use of funds prior to January 1 of the year in which it seeks to transfer the money. This provision eliminated the type of situation which was brought to the attention of the committee by Senators from such States as South Dakota. It will permit such States to utilize all of the funds allocated under the Higher Education Facilities Act for institutions within the State borders if they so desire

without running the risk of losing a part of the money because they do not have institutions of the type for which reservations were previously made.

TITLE VIII: GENERAL PROVISIONS

Mr. President, under title VIII of the bill, general provisions I call to the attention of Senators the language of section 804. The conference bill, in my view, protects the legitimate interests of fraternities and sororities and conforms to the policy stated by the administration with respect to the operation of other statutes. It would be my hope that this rewriting of the provision will meet with Senate approval.

CONCLUSION

Mr. President, this has been a rather lengthy report on the conference committee resolution of the differences between the House and Senate version of H.R. 9567. It has been lengthy because there is much in matter in this bill and it covers many areas, and many areas which were controversial. A careful review of the report of the House managers and this statement, which constitutes legislative history on this bill, will, I am sure, lay to rest many unfounded fears which have been expressed in the course of debate upon this landmark statute to be.

It is a bill which, in my judgment, represents an act of bipartisan educational statesmanship. In bringing this conference report to the floor of the Senate this morning, I can only repeat what I said previously when the bill passed the Senate. It is the work of many hands and many minds. I am tremendously indebted to the chairman of my full committee, the beloved senior Senator from the great State of Alabama, for his strong and effective support of the Senate position in conference. The children and young people of America owe a great deal to the long-range view of Senator HILL, whose name is synonymous with medical progress and whose work on this bill testifies to his abiding faith in the values of education as a tool of democracy. I want to thank him publicly again for his help on this bill, as I want to express to each of my colleagues on what was a most difficult conference, my deep appreciation for the support I was invariably given in our negotiations. Senators McNAMARA, YARBOROUGH, CLARK, RANDOLPH, KENNEDY, and my beloved friends on the other side of the aisle, Senators JAVITS, PROUTY, and DOMINICK, stood shoulder to shoulder with me day after day in these sessions. That we were able to present as sound a bill as we bring to the floor this morning is due in major part to their efforts.

Mr. President, I am ready for the vote on the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

Mr. MANSFIELD. Mr. President, I move that the Senate reconsider the vote by which the conference report was agreed to.

Mr. McNAMARA. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MORSE. Mr. President, many kudos have been handed out tonight. Standing to my right is the majority leader of the Senate [Mr. MANSFIELD], on whom I have relied from the very beginning to help pilot all the education bills through the Senate. This one is no exception. Without the help of MIKE MANSFIELD, I would not have been presenting this report tonight.

I pay tribute also to LISTER HILL, chairman of the Committee on Labor and Public Welfare. He has always cooperated with me. For example, he refused to take over the chairmanship of the conference, to which he was entitled as chairman of the full committee, but insisted that I be the chairman of the Senate conferees. That is typical of the courtesy, generosity, and cooperation of LISTER HILL.

Mr. President, these two men, along with the members of the committee whom I have thanked, are the ones who have made possible the passage of the higher education bill tonight.

Mr. MANSFIELD. Mr. President, following the remarks of the distinguished Senator from Oregon, I can only compliment him upon his magnificent work in handling this and other pieces of legislation which have been before the Senate, not only this year, but for more than a decade.

In effect, the Senate has presented a birthday present to our distinguished colleague from Oregon by agreeing unanimously to the conference report on higher education. It is a testimonial to the work, skill, integrity, and ability of the distinguished Senator from Oregon. I am delighted that on his birthday the Senate and Congress have seen fit to extend to him a gift which I know he will value highly because of the intense interest he has shown in education throughout the years since he was a teacher at the University of Wisconsin and the University of Minnesota, and later as dean and professor of law at the University of Oregon. He has held other positions of trust. He is a man who, if any Member of this body is entitled to the name, could well be called "Mr. Education."

Mr. MORSE. I can only reply to the Senator from Montana by saying what the President of the United States said to me at the time we passed the higher education bill. He said, "This is the nicest birthday present anyone could give me," because that day was his birthday. The passage of this bill tonight is the nicest birthday present anyone could give me. I sincerely thank the Senator from Montana.

Mr. MANSFIELD. I am delighted that the vote on agreeing to the conference report was unanimous.

The title "Mr. Education" is a title well earned by Senator MORSE, as is so amply proved by his work in conference on the bill and by the fact that he has brought the conference report on the higher education bill back to us in such good form and has managed it through to approval by this body in such short order. I thank him from the bottom of my heart, and I congratulate him for his tremendous understanding, knowledge, and ability on

all matters, but especially on questions involving education.

I could not stop without adding an equal vote of thanks and congratulations to the bipartisan conferees who so ably assisted and cooperated with the Senator from Oregon. I refer to the senior Senator from Alabama [Mr. HILL], the senior Senator from Michigan [Mr. McNAMARA], the senior Senator from Texas [Mr. YARBOROUGH], the senior Senator from Pennsylvania [Mr. CLARK], the senior Senator from West Virginia [Mr. RANDOLPH], the junior Senator from Vermont [Mr. PROUTY], the senior Senator from New York [Mr. JAVITS], and the junior Senator from Colorado [Mr. DOMINICK].

To each of these Senators, as well as to this entire body, I give my heartfelt thanks and commendations for a great piece of legislation which will mean much to this entire Nation, and especially to our greatest asset, our youth.

Mr. METCALF. Mr. President, I wish to speak briefly in commendation of the efforts of the senior Senator from Oregon [Mr. MORSE], concerning the education bill. This is the culmination of a series of education bills that will mean a great deal to the boys and girls of America and to American parents, not only this year, but also in the future for many decades ahead.

For years and years I have been working for the advancement of Federal aid and Federal support of education at the elementary, the secondary school, and the higher education level.

Many Members of Congress and many in the education fraternity have also been working toward this end. Yet, all these efforts have been met with failure until the senior Senator from Oregon took over with his leadership and put through the most outstanding educational legislation that has ever been passed.

Sometimes we like to compare this with the Morrill Act of a century ago, and so forth. However, this Congress has demonstrated its support of education in a way in which no other Congress has ever done. Most of this is due to the efforts of the senior Senator from Oregon, whose birthday present this bill is. However, actually, if we are talking about birthday presents, this bill should have been passed on the 4th of July, because this a birthday present to every boy and girl in the United States. This is a birthday present to every American parent. This is a birthday present to the Nation.

This legislation will bring out and develop the talent of every one of our very talented young people. If we afford a greater opportunity to these young men and women who are being lost now because of dropping out of school because they cannot afford to go to college and because we do not have the research facilities to take care of them, we will not only contribute to the wealth and the welfare of this Nation, but we shall also make this country much stronger militarily, politically, and every other way.

The senior Senator from Oregon in his leadership has made the most outstanding contribution to the United States of

America that could be made in the passage of this series of education bills, of which this higher education bill is a culmination and the final development.

Mr. MORSE. Mr. President, the passage of those bills on education legislation in the 88th and 89th Congresses is due to the combined efforts of all of us working together.

The Senator from Montana [Mr. METCALF] was really special counsel to my Subcommittee on Education, although he was not even a member of the committee. Some may not be aware of that. However, the Senator from Montana when he was in the House of Representatives made education, his major specialty as far as legislative effort was concerned. He became known in the House as the man who was undoubtedly best versed in the education field as it affected the legislative problems in that field.

He brought that wealth of experience from the House to the Senate. Our committee relied upon him very heavily. He sat in consultation with our committee after he was no longer connected with our committee, having received other committee assignments.

I want the RECORD to show that Senator LEE METCALF has had much to do in helping with the architectural design for the legislation that we have come to pass here on higher education, as he did also in connection with the elementary and secondary bills.

The PRESIDING OFFICER. The Senator from New York.

Mr. KENNEDY of New York. Mr. President, having served on the committee with the senior Senator from Oregon, I can say without any question that we would not have an education bill if it had not been for the patience, leadership, and knowledge of this subject on the part of the senior Senator from Oregon.

As a freshman Senator and a new member of the committee, it was one of the most impressive experiences that I have ever had, not only with the higher education bill, but also with the secondary education bill.

I think it is unanimously believed by the members of the committee, no matter of what political persuasion they might be, and no matter what disagreements there might be on other subjects, that if it had not been for his tact, patience, leadership, and general knowledge on the subject, which was unequalled by anyone else on the committee, as demonstrated by the senior Senator from Oregon, the young people of the United States would not have the benefit of this legislation.

Mr. MORSE. Mr. President, the stamp of ROBERT KENNEDY is all over this bill.

If the junior Senator from New York had not come forward with the Kennedy amendment to provide for the Presidential Review Council that is set up in title I of the bill, to give us legislative recommendations to assure effective coordination of all federally supported extension type activities and to advise the Commissioner of Education on the regulations to be issued in connection with title I of this act, I do not think that title of the bill would have been very effective. We did agree to the Kennedy amendment. The Review Council, in my

judgment, will make possible the elimination of overlap, if any, in extension programs in the years ahead. Our continuing education programs will work more efficiently and effectively because of this amendment.

The Senator from New York [Mr. KENNEDY], in his cross-examination—and I have never seen a more effective cross-examination in a legislative hearing—made those witnesses prove their case when they came before the subcommittee and asked for either a modification of the bill, or gave support to various sections of the bill.

Time and again, the Senator from New York offered, in the markup of the bill, language changes that perfected the bill. The Senator is entirely too modest but I very much appreciated his comments about my work. It was his kind of valuable contribution that made it possible to bring forth this bill.

Mr. President, I note that the Senator from Massachusetts [Mr. KENNEDY] is present. I am sorry that the Senator from Wisconsin [Mr. NELSON] is not now present. They know title V of the act contained their Kennedy-Nelson amendment. It added the Teacher Corps to H.R. 9567. They are aware that this title became one of the controversial areas of the bill in the minds of some. It is my belief, however, that the overwhelming majority of the conference committee was in favor of the teaching corps from the very beginning.

I have not had a chance to tell the Senator from Massachusetts, but when we were in conference the other day, a little concern developed on the part of some of our House colleagues, and the statement was made by the opposition that if I did not yield on the Teacher Corps, they wanted me to know that, on the House side, they would move to recommit.

Some of our colleagues on the majority side were a little concerned about that. They were not so sure that the effort to recommit might not succeed. I said good naturedly that March and April were not so far away and that perhaps it would be best, if that were to happen, to wait until March and April and to let the college presidents and deans give their value judgment as to the Teacher Corps. I suggested that perhaps by March and April we might get a change of position on the part of the House conferees. It was still suggested to me by the leadership of the majority of the House that it would be helpful if I should get in touch with the President of the United States to make certain that the President would support me in my position of not receding. I had made it very clear that I would not recede.

I tried to do it pleasantly. I argued the merits of the Teacher Corps.

I said that I wanted it to be clearly understood that, in getting in touch with the President, I would make it clear to the President that I did not think we should recede. They said that was very reasonable.

I got in touch with the President.

I want the RECORD to show what his answer was. He said, "Stick by your guns."

We stuck by our guns, and when I came back and, in open conference, reported what the President's position was, there was no question then that the majority were ready to exercise their votes. And they voted.

Of course, I also said good naturedly of the opposition, "If they do not find that this is a basis for recommitting, they will find some other basis," because there were some who did not want the bill.

I thought the Senator from Massachusetts and the Senator from Wisconsin are entitled to my explanation as to how the Senate conferees kept the Teacher Corps title in this bill. It is one of the strongest, most valuable sections of H.R. 9567, and I think time will prove its worth.

I thank the Senator from Massachusetts [Mr. KENNEDY] and his colleague on the bill, the Senator from Wisconsin [Mr. NELSON], for their insisting on retaining the provision as they did all through the hearing, and in the committee markup stages, where it was thought by some that perhaps we ought to separate it from this bill and offer it next year as a separate bill. That I refused to do, because I thought in light of the teacher training aspect it was and should be an integral part of this program.

Someone said, "What is it doing in a higher education bill, when the teachers are going to go into elementary and secondary schools?" It is a part of the higher education bill because it is a very practical part; it is a training part of the education departments of our institutions of higher learning, and it will aid them in training many teachers.

The Senator from Massachusetts and the Senator from Wisconsin had great vision and sound vision when they struck upon this idea of a teacher corps, and I thank the Senator from Massachusetts particularly, because I see him on the floor, for the contributions he has made to this bill.

Mr. KENNEDY of Massachusetts. Mr. President, I should like to join in the accolades which have been paid to the distinguished Senator from Oregon this afternoon for the great contributions he has made in the fields of education.

As the Senator from Oregon has mentioned, this was a part of the bill which the Senator from Wisconsin [Mr. NELSON] and I joined in initiating—an amendment to the higher education bill providing for a teacher corps.

Some time last February, during the closing days of the hearings on the primary and secondary school education bill, it occurred to Senator NELSON and myself to join and seize the opportunity of providing for professionally qualified teachers to work in disadvantaged areas. I remember that the distinguished Senator from Oregon was not present at the time, but was on an important mission, speaking on the fields of education in my neighboring State of Connecticut. In the brief time I had to outline the plan to the Senator from Oregon, he made some very worthwhile suggestions to the ideas we were contemplating at that particular time; he gave us the benefit of

his wisdom and experience, not only in the field of education, but his views on how an amendment or an idea such as this could be enacted into legislation.

That was one of the important ingredients of this legislation, which has been fostered once more in the Senate, and one of the important reasons why the Senator from Oregon has made such an important contribution, because he understands what can be done and how it should be done. His commitment in the field of education is extremely significant.

As the Senator from Oregon has mentioned, when Senator NELSON and I approached him on this idea, even though we are members of the committee, he extended every kind of courtesy, interest, and help. Once the subcommittee embraced the suggestion, fought for it completely in the full committee, and has fought for it in the conference and here on the floor. I think it is reassuring to every Senator who shares his concerns in the field of education to know that when we do have an idea which is worthwhile, the Senator from Oregon is interested in encouraging convictions and giving suggestions and advice, is ready to embrace an idea if it is worthwhile, to fight for it in the Senate, and to see to its enactment after it passes the conference.

I know I speak for Senator NELSON as well as for myself in joining in the tribute to the Senator from Oregon for a job well done. I think every young American benefits from his extraordinary contributions in the field of education.

Mr. MORSE. I thank the Senator from Massachusetts very much.

INCREASE OF AUTHORIZATION TO BUILD HIGHWAY BRIDGES ACROSS FEDERAL DAMS

Mr. BASS subsequently said: Mr. President, earlier today I introduced a bill and asked that it be referred, on behalf of the Senator from Tennessee [Mr. GORE] and myself, which would amend section 320, subsection (d) of title 23, United States Code.

The purpose of such an amendment would be to increase the authorization to build highway bridges across Federal dams from \$13 million to \$14,670,000.

The purpose of the increase is to widen the bridge across Chicamaugua Dam in Tennessee from two lanes to four lanes.

The State Highway Department reports that the average daily traffic over the present two-lane facility is over 15,000 vehicles, which is far beyond the practical capacity of the bridge.

BENEFITS TO CHILDREN OF CERTAIN WAR VETERANS

The PRESIDING OFFICER (Mr. RUSSELL of South Carolina in the chair) laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 227, which was read as follows:

Resolved, That the House concur in the amendment of the Senate numbered 1 to the

bill (H.R. 227) entitled "An Act to amend title 38 of the United States Code to entitle the children of certain veterans who served in the Armed Forces prior to September 16, 1940, to benefit under the war orphans educational assistance program."

Resolved, That the House disagree to the amendment of the Senate numbered 2, to the aforesaid bill.

Mr. MANSFIELD. Mr. President, I move that the Senate recede from its amendment No. 2.

The motion was agreed to.

RIGHT OF PERSONS TO BE REPRESENTED IN MATTERS BEFORE FEDERAL AGENCIES

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1758) to provide for the right of persons to be represented in matters before Federal agencies, which was, to strike out all after the enacting clause and insert:

That—

(a) Any person who is a member in good standing of the bar of the highest court of any State, possession, territory, Commonwealth, or the District of Columbia may represent others before any agency upon filing with the agency a written declaration that he is currently qualified as provided by this subsection and is authorized to represent the particular party in whose behalf he acts.

(b) Any person who is duly qualified to practice as a certified public accountant in any State, possession, territory, Commonwealth, or the District of Columbia may represent others before the Internal Revenue Service of the Treasury Department upon filing with that agency a written declaration that he is currently qualified as provided by this subsection and is authorized to represent the particular party in whose behalf he acts.

(c) Nothing herein shall be construed (i) to grant or deny to any person who is not qualified as provided by subsection (a) or (b) the right to appear for or represent others before any agency or in any agency proceeding; (ii) to authorize or limit the discipline, including disbarment, of persons who appear in a representative capacity before any agency; (iii) to authorize any person who is a former officer or employee of an agency to represent others before an agency where such representation is prohibited by statute or regulations; or (iv) to prevent an agency from requiring a power of attorney as a condition to the settlement of any controversy involving the payment of money.

(d) This section shall not be applicable to practice before the Patent Office with respect to patent matters which shall continue to be covered by chapter 3 (sections 31 to 33) of title 35 of the United States Code.

SEC. 2. When any participant in any matter before an agency is represented by a person qualified pursuant to subsection (a) or (b) of section 1, any notice or other written communication required or permitted to be given to such participant in such matter shall be given to such representative in addition to any other service specifically required by statute. If a participant is represented by more than one such qualified representative, service upon any one of such representatives shall be sufficient.

SEC. 3. As used in this Act, "agency" shall have the same meaning as it does in section 2(a) of the Administrative Procedure Act, as amended (60 Stat. 237, as amended).

Mr. MANSFIELD. Mr. President, I move that the Senate concur in the amendment of the House.

The motion was agreed to.

ORDER FOR ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business tonight, it stands in adjournment until 9:30 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR FONG ON THURSDAY MORNING

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the period between 9:30 and 10 o'clock tomorrow morning be set aside for the distinguished Senator from Hawaii [Mr. FONG], who wishes to make a speech during that time.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR AIKEN ON THURSDAY MORNING

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the period from 10 to 10:30 o'clock tomorrow morning be set aside for the use of the distinguished senior Senator from Vermont [Mr. AIKEN].

The PRESIDING OFFICER. Without objection, it is so ordered.

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following additional routine business was transacted:

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Hackney, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 11588) making supplemental appropriations for the fiscal year ending June 30, 1965, and for other purposes; that the House agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MAHON, Mr. KIRWAN, Mr. WHITTEN, Mr. ROONEY of New York, Mr. FOGARTY, Mr. EVINS of Tennessee, Mr. BOW, Mr. JONAS, and Mr. LAIRD were appointed managers on the part of the House at the conference.

U.S. PARTICIPATION IN THE EXPOSITION TO BE HELD IN ALASKA IN 1967—REPORT OF A COMMITTEE—INDIVIDUAL VIEWS (S. REPT. NO. 928)

Mr. BARTLETT. Mr. President, from the Committee on Commerce I report favorably S. 2614, to provide for U.S. participation in the exposition to be held in Alaska in 1967. I submit a report thereon.

I ask unanimous consent that the report be printed in the RECORD, together



Public Law 89-329
89th Congress, H. R. 9567
November 8, 1965

An Act

79 STAT. 1219

To strengthen the educational resources of our colleges and universities and to provide financial assistance for students in postsecondary and higher education.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Higher Education Act of 1965".

Higher Education Act of 1965.

TITLE I—COMMUNITY SERVICE AND CONTINUING
EDUCATION PROGRAMS

APPROPRIATIONS AUTHORIZED

SEC. 101. For the purpose of assisting the people of the United States in the solution of community problems such as housing, poverty, government, recreation, employment, youth opportunities, transportation, health, and land use by enabling the Commissioner to make grants under this title to strengthen community service programs of colleges and universities, there are authorized to be appropriated \$25,000,000 for the fiscal year ending June 30, 1966, and \$50,000,000 for the fiscal year ending June 30, 1967, and for the succeeding fiscal year. For the fiscal year ending June 30, 1969, and the succeeding fiscal year, there may be appropriated, to enable the Commissioner to make such grants, only such sums as the Congress may hereafter authorize by law.

DEFINITION OF COMMUNITY SERVICE PROGRAM

SEC. 102. For purposes of this title, the term "community service program" means an educational program, activity, or service, including a research program and a university extension or continuing education offering, which is designed to assist in the solution of community problems in rural, urban, or suburban areas, with particular emphasis on urban and suburban problems, where the institution offering such program, activity, or service determines—

(1) that the proposed program, activity, or service is not otherwise available, and

(2) that the conduct of the program or performance of the activity or service is consistent with the institution's over-all educational program and is of such a nature as is appropriate to the effective utilization of the institution's special resources and the competencies of its faculty.

Where course offerings are involved, such courses must be university extension or continuing education courses and must be—

(A) fully acceptable toward an academic degree, or

(B) of college level as determined by the institution offering such courses.

ALLOTMENTS TO STATES

SEC. 103. (a) Of the sums appropriated pursuant to section 101 for each fiscal year, the Commissioner shall allot \$25,000 each to Guam, American Samoa, the Commonwealth of Puerto Rico, and the Virgin Islands and \$100,000 to each of the other States, and he shall allot to each State an amount which bears the same ratio to the remainder of such sums as the population of the State bears to the population of all States.

(b) The amount of any State's allotment under subsection (a) for any fiscal year which the Commissioner determines will not be required

for such fiscal year for carrying out the State plan (if any) approved under this title shall be available for reallocation from time to time, on such dates during such year as the Commissioner may fix, to other States in proportion to the original allotments to such States under such subsection for such year, but with such proportionate amount for any of such States being reduced to the extent it exceeds the sum the Commissioner estimates such State needs and will be able to use for such year for carrying out the State plan; and the total of such reductions shall be similarly reallocated among the States whose proportionate amounts were not so reduced. Any amount reallocated to a State under this subsection during a year from funds appropriated pursuant to section 101 shall be deemed part of its allotment under subsection (a) for such year.

(c) In accordance with regulations of the Commissioner, any State may file with him a request that a specified portion of its allotment under this title be added to the allotment of another State under this title for the purpose of meeting a portion of the Federal share of the cost of providing community service programs under this title. If it is found by the Commissioner that the programs with respect to which the request is made would meet needs of the State making the request and that use of the specified portion of such State's allotment, as requested by it, would assist in carrying out the purposes of this title, such portion of such State's allotment shall be added to the allotment of the other State under this title to be used for the purpose referred to above.

(d) The population of a State and of all the States shall be determined by the Commissioner on the basis of the most recent satisfactory data available from the Department of Commerce.

USES OF ALLOTTED FUNDS

SEC. 104. A State's allotment under section 103 may be used, in accordance with its State plan approved under section 105(b), to provide new, expanded, or improved community service programs.

STATE PLANS

SEC. 105. (a) Any State desiring to receive its allotment of Federal funds under this title shall designate or create a State agency or institution which has special qualifications with respect to solving community problems and which is broadly representative of institutions of higher education in the State which are competent to offer community service programs, and shall submit to the Commissioner through the agency or institution so designated a State plan. If a State desires to designate for the purposes of this section an existing State agency or institution which does not meet these requirements, it may do so if the agency or institution takes such action as may be necessary to acquire such qualifications and assure participation of such institutions, or if it designates or creates a State advisory council which meets the requirements not met by the designated agency or institution to consult with the designated agency or institution in the preparation of the State plan. A State plan submitted under this title shall be in such detail as the Commissioner deems necessary and shall—

(1) provide that the agency or institution so designated or created shall be the sole agency for administration of the plan or for supervision of the administration of the plan; and provide that such agency or institution shall consult with any State advisory council required to be created by this section with respect to policy matters arising in the administration of such plan;

(2) set forth a comprehensive, coordinated, and statewide system of community service programs under which funds paid to the State (including funds paid to an institution pursuant to section 106(c)) under its allotments under section 103 will be expended solely for community service programs which have been approved by the agency or institution administering the plan;

(3) set forth the policies and procedures to be followed in allocating Federal funds to institutions of higher education in the State, which policies and procedures shall insure that due consideration will be given—

(A) to the relative capacity and willingness of particular institutions of higher education (whether public or private) to provide effective community service programs;

(B) to the availability of and need for community service programs among the population within the State; and

(C) to the results of periodic evaluations of the programs carried out under this title in the light of information regarding current and anticipated community problems in the State;

(4) set forth policies and procedures designed to assure that Federal funds made available under this title will be so used as not to supplant State or local funds, or funds of institutions of higher education, but to supplement and, to the extent practicable, to increase the amounts of such funds that would in the absence of such Federal funds be made available for community service programs;

(5) set forth such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the State (including such funds paid by the State or by the Commissioner to institutions of higher education) under this title; and

(6) provide for making such reports in such form and containing such information as the Commissioner may reasonably require to carry out his functions under this title, and for keeping such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports.

Records.

(b) The Commissioner shall approve any State plan and any modification thereof which complies with the provisions of subsection (a).

PAYMENTS

SEC. 106. (a) Except as provided in subsection (b), payment under this title shall be made to those State agencies and institutions which administer plans approved under section 105(b). Payments under this title from a State's allotment with respect to the cost of developing and carrying out its State plan shall equal 75 per centum of such costs for the fiscal year ending June 30, 1966, 75 per centum of such costs for the fiscal year ending June 30, 1967, and 50 per centum of such costs for each of the three succeeding fiscal years, except that no payments for any fiscal year shall be made to any State with respect to expenditures for developing and administering the State plan which exceed 5 per centum of the costs for that year for which payment under this subsection may be made to that State, or \$25,000, whichever is the greater. In determining the cost of developing and carrying out a State's plan, there shall be excluded any cost with respect to which payments were received under any other Federal program.

(b) No payments shall be made to any State from its allotments for any fiscal year unless and until the Commissioner finds that the institutions of higher education which will participate in carrying out the State plan for that year will together have available during that year for expenditure from non-Federal sources for college and university extension and continuing education programs not less than the total amount actually expended by those institutions for college and university extension and continuing education programs from such sources during the fiscal year ending June 30, 1965, plus an amount equal to not less than the non-Federal share of the costs with respect to which payment pursuant to subsection (a) is sought.

(c) Payments to a State under this title may be made in installments and in advance or by way of reimbursement with necessary adjustments on account of overpayments or underpayments, and they may be paid directly to the State or to one or more participating institutions of higher education designated for this purpose by the State, or to both.

ADMINISTRATION OF STATE PLANS

SEC. 107. (a) The Commissioner shall not finally disapprove any State plan submitted under this title, or any modification thereof, without first affording the State agency or institution submitting the plan reasonable notice and opportunity for a hearing.

(b) Whenever the Commissioner, after reasonable notice and opportunity for hearing to the State agency or institution administering a State plan approved under section 105(b), finds that—

(1) the State plan has been so changed that it no longer complies with the provisions of section 105(a), or

(2) in the administration of the plan there is a failure to comply substantially with any such provision, the Commissioner shall notify the State agency or institution that the State will not be regarded as eligible to participate in the program under this title until he is satisfied that there is no longer any such failure to comply.

JUDICIAL REVIEW

SEC. 108. (a) If any State is dissatisfied with the Commissioner's final action with respect to the approval of its State plan submitted under section 105(a) or with his final action under section 107(b), such State may, within sixty days after notice of such action, file with the United States court of appeals for the circuit in which the State is located a petition for review of that action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Commissioner. The Commissioner thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code.

(b) The findings of fact by the Commissioner, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Commissioner to take further evidence, and the Commissioner may thereupon make new or modified findings of fact and may modify his previous action, and shall certify to the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

(c) The court shall have jurisdiction to affirm the action of the Commissioner or to set it aside, in whole or in part. The judgment

Opportunity
for hearing.

Noncompliance.

of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

62 Stat. 928.

NATIONAL ADVISORY COUNCIL ON EXTENSION AND CONTINUING EDUCATION

SEC. 109. (a) The President shall, within ninety days of enactment of this title, appoint a National Advisory Council on Extension and Continuing Education (hereafter referred to as the "Advisory Council"), consisting of the Commissioner, who shall be Chairman, one representative each of the Departments of Agriculture, Commerce, Defense, Labor, Interior, State, and Housing and Urban Development, and the Office of Economic Opportunity, and of such other Federal agencies having extension education responsibilities as the President may designate, and twelve members appointed, for staggered terms and without regard to the civil service laws, by the President. Such twelve members shall, to the extent possible, include persons knowledgeable in the fields of extension and continuing education, State and local officials, and other persons having special knowledge, experience, or qualification with respect to community problems, and persons representative of the general public. The Advisory Council shall meet at the call of the Chairman but not less often than twice a year.

Appointment by
President.

(b) The Advisory Council shall advise the Commissioner in the preparation of general regulations and with respect to policy matters arising in the administration of this title, including policies and procedures governing the approval of State plans under section 105(b), and policies to eliminate duplication and to effectuate the coordination of programs under this title and other programs offering extension or continuing education activities and services.

Duties.

(c) The Advisory Council shall review the administration and effectiveness of all federally supported extension and continuing education programs, including community service programs, make recommendations with respect thereto, and make annual reports commencing on March 31, 1967, of its findings and recommendations (including recommendations for changes in the provisions of this title and other Federal laws relating to extension and continuing education activities) to the Secretary and to the President. The President shall transmit each such report to the Congress together with his comments and recommendations.

Reports to
President and
Congress.

(d) Members of the Advisory Council who are not regular full-time employees of the United States shall, while serving on the business of the Council, be entitled to receive compensation at rates fixed by the Secretary, but not exceeding \$100 per day, including travel time; and, while so serving away from their homes or regular places of business, members may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b-2) for persons in the Government service employed intermittently.

Compensation.

(e) The Secretary shall engage such technical assistance as may be required to carry out the functions of the Advisory Council, and the Secretary shall, in addition, make available to the Advisory Council such secretarial, clerical, and other assistance and such pertinent data prepared by the Department of Health, Education, and Welfare as it may require to carry out its functions.

60 Stat. 808;
75 Stat. 339,
340.

(f) In carrying out its functions pursuant to this section, the Advisory Council may utilize the services and facilities of any agency of the Federal Government, in accordance with agreements between the Secretary and the head of such agency.

RELATIONSHIP TO OTHER PROGRAMS

39 Stat. 929.
60 Stat. 775.

77 Stat. 403.
78 Stat. 802.
20 USC 801 - 811.
67 Stat. 83.

SEC. 110. Nothing in this title shall modify authorities under the Act of February 23, 1917 (Smith-Hughes Vocational Education Act), as amended (20 U.S.C. 11-15, 16-28); the Vocational Education Act of 1946, as amended (20 U.S.C. 15i-15m, 15o-15q, 15aa-15jj, and 15aaa-15ggg); the Vocational Education Act of 1963 (20 U.S.C. 35-35n); title VIII of the Housing Act of 1964 (Public Law 88-560); or the Act of May 8, 1914 (Smith-Lever Act), as amended (7 U.S.C. 341-348).

LIMITATION

"School or department of divinity."

SEC. 111. No grant may be made under this title for any educational program, activity, or service related to sectarian instruction or religious worship, or provided by a school or department of divinity. For purposes of this section, the term "school or department of divinity" means an institution or a department or branch of an institution whose program is specifically for the education of students to prepare them become ministers of religion or to enter upon some other religious vocation, or to prepare them to teach theological subjects.

TITLE II—COLLEGE LIBRARY ASSISTANCE AND
LIBRARY TRAINING AND RESEARCH

PART A—COLLEGE LIBRARY RESOURCES

APPROPRIATIONS AUTHORIZED

SEC. 201. There are authorized to be appropriated \$50,000,000 for the fiscal year ending June 30, 1966, and for each of the two succeeding fiscal years, to enable the Commissioner to make grants under this part to institutions of higher education to assist and encourage such institutions in the acquisition for library purposes of books, periodicals, documents, magnetic tapes, phonograph records, audiovisual materials, and other related library materials (including necessary binding). For the fiscal year ending June 30, 1969, and the succeeding fiscal year, there may be appropriated, to enable the Commissioner to make such grants, only such sums as the Congress may hereafter authorize by law.

BASIC GRANTS

SEC. 202. From 75 per centum of the sums appropriated pursuant to section 201 for any fiscal year, the Commissioner is authorized to make basic grants for the purposes set forth in that section to institutions of higher education and combinations of such institutions. The amount of a basic grant shall not exceed \$5,000 for each such institution of higher education and each branch of such institution which is located in a community different from that in which its parent institution is located, as determined in accordance with regulations of the Commissioner, and a basic grant under this subsection may be made only if the application therefor is approved by the Commissioner upon his determination that the application (whether by an individual institution or a combination of institutions)—

(a) provides satisfactory assurance that the applicant will expend during the fiscal year for which the grant is requested (from funds other than funds received under this part) for all library purposes (exclusive of construction) (1) an amount not

less than the average annual amount it expended for such purposes during the two-year period ending June 30, 1965, and (2) an amount (from such other sources) equal to not less than the amount of such grant;

(b) provides satisfactory assurance that the applicant will expend during the fiscal year for which the grant is requested (from funds other than funds received under this part) for books, periodicals, documents, magnetic tapes, phonograph records, audiovisual materials, and other related materials (including necessary binding) for library purposes an amount not less than the average annual amount it expended for such materials during the two-year period ending June 30, 1965;

(c) provides for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the applicant under this section; and

(d) provides for making such reports, in such form and containing such information, as the Commissioner may require to carry out his functions under this section, and for keeping such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports.

Record
retention.

SUPPLEMENTAL GRANTS

SEC. 203. (a) From the remainder of such 75 per centum of the sums appropriated pursuant to section 201 for any fiscal year, plus any part of such sums as the Commissioner determines will not be used for making grants under section 204, the Commissioner is authorized to make supplemental grants for the purposes set forth in section 201 to institutions of higher education and combinations of such institutions. The amount of a supplemental grant shall not exceed \$10 for each full-time student (including the full-time equivalent of the number of part-time students) enrolled in each such institution, as determined pursuant to regulations of the Commissioner. A supplemental grant may be made only upon application therefor, in such form and containing such information as the Commissioner may require, which application shall—

(1) meet the application requirements set forth in section 202 except for the matching requirement set forth in paragraph (a)

(2) of that section;

(2) describe the size and quality of the library resources of the applicant in relation to its present enrollment and any expected increase in its enrollment;

(3) set forth any special circumstances which are impeding or will impede the proper development of its library resources; and

(4) provide a general description of how a supplemental grant would be used to improve the size or quality of its library resources.

(b) The Commissioner shall approve applications for supplemental grants on the basis of basic criteria prescribed in regulations and developed after consultation with the Council created under section 205. Such basic criteria shall be such as will best tend to achieve the objectives of this part and they (1) may take into consideration factors such as the size and age of the library collection and student enrollment, and (2) shall give priority to institutions in need of financial assistance for library purposes.

SPECIAL PURPOSE GRANTS

SEC. 204. (a) (1) Twenty-five per centum of the sums appropriated pursuant to section 201 for each fiscal year shall be used by the Commissioner in accordance with this subsection.

(2) Of the sums available for use under paragraph (1) sixty per centum may be used to make special grants (A) to institutions of higher education which demonstrate a special need for additional library resources and which demonstrate that such additional library resources will make a substantial contribution to the quality of their educational resources, (B) to institutions of higher education to meet special national or regional needs in the library and information sciences, and (C) to combinations of institutions of higher education which need special assistance in establishing and strengthening joint-use facilities. Grants under this section may be used only for books, periodicals, documents, magnetic tapes, phonograph records, audiovisual materials, and other related library materials (including necessary binding).

(3) Any sums available for use under paragraph (1) which are not used for the purposes of paragraph (2) shall be used in the manner prescribed by the first sentence of section 203(a).

(b) Grants pursuant to paragraph (2) shall be made upon application providing satisfactory assurance that (1) the applicant (or applicants jointly in the case of a combination of institutions) will expend during the fiscal year for which the grant is requested (from funds other than funds received under this part) for the same purpose as such grant an amount from such other sources equal to not less than 33 $\frac{1}{3}$ per centum of such grant, and (2) in addition each such applicant will expend during such fiscal year (from such other sources) for all library purposes (exclusive of construction) an amount not less than the average annual amount it expended for such purposes during the two-year period ending June 30, 1965.

ADVISORY COUNCIL ON COLLEGE LIBRARY RESOURCES

SEC. 205. (a) The Commissioner shall establish in the Office of Education an Advisory Council on College Library Resources consisting of the Commissioner, who shall be Chairman, and eight members appointed, without regard to the civil service laws, by the Commissioner with the approval of the Secretary.

(b) The Advisory Council shall advise the Commissioner with respect to establishing criteria for the making of supplemental grants under section 203 and the making of special purpose grants under section 204. The Commissioner may appoint such special advisory and technical experts and consultants as may be useful in carrying out the functions of the Advisory Council.

(c) Members of the Advisory Council, while serving on business of the Advisory Council, shall receive compensation at a rate to be fixed by the Secretary, but not exceeding \$100 per day, including travel time; and, while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b-2) for persons in the Government service employed intermittently.

ACCREDITATION REQUIREMENT FOR PURPOSES OF THIS PART

SEC. 206. For the purposes of this part, an educational institution shall be deemed to have been accredited by a nationally recognized accrediting agency or association if the Commissioner determines that

Duties.

Members,
compensation.

60 Stat. 808;
75 Stat. 339,
340.

there is satisfactory assurance that upon acquisition of the library resources with respect to which assistance under this part is sought, or upon acquisition of those resources and other library resources planned to be acquired within a reasonable time, the institution will meet the accreditation standards of such agency or association.

LIMITATION

SEC. 207. No grant may be made under this part for books, periodicals, documents, or other related materials to be used for sectarian instruction or religious worship, or primarily in connection with any part of the program of a school or department of divinity. For purposes of this section, the term "school or department of divinity" means an institution or a department or branch of an institution whose program is specifically for the education of students to prepare them to become ministers of religion or to enter upon some other religious vocation, or to prepare them to teach theological subjects.

"School or
department
of divinity."

CONSULTATION WITH STATE AGENCY

SEC. 208. Each institution of higher education which receives a grant under this part shall periodically inform the State agency (if any) concerned with the educational activities of all institutions of higher education in the State in which such institution is located, of its activities under this part.

PART B—LIBRARY TRAINING AND RESEARCH

APPROPRIATIONS AUTHORIZED

SEC. 221. There are authorized to be appropriated \$15,000,000 for the fiscal year ending June 30, 1966, and for each of the two succeeding fiscal years, for the purpose of carrying out this part. For the fiscal year ending June 30, 1969, and the succeeding fiscal year, there may be appropriated for such purpose only such sums as the Congress may hereafter authorize by law.

DEFINITION OF "LIBRARIANSHIP"

SEC. 222. For the purposes of this part the term "librarianship" means the principles and practices of the library and information sciences, including the acquisition, organization, storage, retrieval, and dissemination of information, and reference and research use of library and other information resources.

GRANTS FOR TRAINING IN LIBRARIANSHIP

SEC. 223. (a) The Commissioner is authorized to make grants to institutions of higher education to assist them in training persons in librarianship. Such grants may be used by such institutions to assist in covering the cost of courses of training or study for such persons, and for establishing and maintaining fellowships or traineeships with stipends (including allowances for traveling, subsistence, and other expenses) for fellows and others undergoing training and their dependents not in excess of such maximum amounts as may be prescribed by the Commissioner.

(b) The Commissioner may make a grant to an institution of higher education only upon application by the institution and only upon his finding that such program will substantially further the objective of increasing the opportunities throughout the Nation for training in librarianship.

RESEARCH AND DEMONSTRATIONS RELATING TO LIBRARIES AND THE
TRAINING OF LIBRARY PERSONNEL

SEC. 224. (a) The Commissioner is authorized to make grants to institutions of higher education and other public or private agencies, institutions, and organizations, for research and demonstration projects relating to the improvement of libraries or the improvement of training in librarianship, including the development of new techniques, systems, and equipment for processing, storing, and distributing information, and for the dissemination of information derived from such research and demonstrations, and, without regard to section 3709 of the Revised Statutes (41 U.S.C. 5), to provide by contracts with them for the conduct of such activities; except that no such grant may be made to a private agency, organization, or institution other than a nonprofit one.

Special advisory committee, appointment.

(b) The Commissioner is authorized to appoint a special advisory committee of not more than nine members to advise him on matters of general policy concerning research and demonstration projects relating to the improvement of libraries and the improvement of training in librarianship, or concerning special services necessary thereto or special problems involved therein.

Members, compensation.

(c) Members of the committee appointed under this section who are not regular full-time employees of the United States shall, while serving on the business of the committee, be entitled to receive compensation at rates fixed by the Commissioner, but not in excess of \$100 per diem, including travel time; and they may, while so serving away from their homes or regular places of business, be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b-2) for persons in the Government service employed intermittently.

60 Stat. 808;

75 Stat. 339, 340.

REPEALER

78 Stat. 1107.

20 USC 591.

SEC. 225. Effective July 1, 1967, section 1101 of the National Defense Education Act of 1958 is amended by adding the word "or" at the end of clause (2), by striking out clause (3), and by renumbering clause (4) as clause (3).

PART C—STRENGTHENING COLLEGE AND RESEARCH LIBRARY RESOURCES

APPROPRIATIONS AUTHORIZED

SEC. 231. There are hereby authorized to be appropriated \$5,000,000 for the fiscal year ending June 30, 1966, \$6,315,000 for the fiscal year ending June 30, 1967, and \$7,770,000 for the fiscal year ending June 30, 1968, to enable the Commissioner to transfer funds to the Librarian of Congress for the purpose of—

(1) acquiring, so far as possible, all library materials currently published throughout the world which are of value to scholarship; and

(2) providing catalog information for these materials promptly after receipt, and distributing bibliographic information by printing catalog cards and by other means, and enabling the Library of Congress to use for exchange and other purposes such of these materials as are not needed for its own collections.

For the fiscal year ending June 30, 1969, and the succeeding fiscal year, there may be appropriated, to enable the Commissioner to transfer funds to the Librarian of Congress for such purpose, only such sums as the Congress may hereafter authorize by law.

TITLE III—STRENGTHENING DEVELOPING INSTITUTIONS

STATEMENT OF PURPOSE AND APPROPRIATIONS AUTHORIZED

SEC. 301. (a) The purpose of this title is to assist in raising the academic quality of colleges which have the desire and potential to make a substantial contribution to the higher education resources of our Nation but which for financial and other reasons are struggling for survival and are isolated from the main currents of academic life, and to do so by enabling the Commissioner to establish a national teaching fellow program and to encourage and assist in the establishment of cooperative arrangements under which these colleges may draw on the talent and experience of our finest colleges and universities, and on the educational resources of business and industry, in their effort to improve their academic quality.

(b) (1) There is authorized to be appropriated the sum of \$55,000,000 for the fiscal year ending June 30, 1966, to carry out the provisions of this title.

(2) Of the sums appropriated pursuant to this section for any fiscal year, 78 per centum shall be available only for carrying out the provisions of this title with respect to developing institutions which plan to award one or more bachelor's degrees during such year.

(3) The remainder of the sums so appropriated shall be available only for carrying out the provisions of this title with respect to developing institutions which do not plan to award such a degree during such year.

DEFINITION OF "DEVELOPING INSTITUTION"

SEC. 302. As used in this title the term "developing institution" means a public or nonprofit educational institution in any State which—

(a) admits as regular students only persons having a certificate of graduation from a secondary school, or the recognized equivalent of such certificate;

(b) is legally authorized to provide, and provides within the State, an educational program for which it awards a bachelor's degree, or provides not less than a two-year program which is acceptable for full credit toward such a degree, or offers a two-year program in engineering, mathematics, or the physical or biological sciences which is designed to prepare the student to work as a technician and at a semiprofessional level in engineering, scientific, or other technological fields which require the understanding and application of basic engineering, scientific, or mathematical principles of knowledge;

(c) is accredited by a nationally recognized accrediting agency or association determined by the Commissioner to be reliable authority as to the quality of training offered or is, according to such an agency or association, making reasonable progress toward accreditation;

(d) has met the requirements of clauses (a) and (b) during the five academic years preceding the academic year for which it seeks assistance under this title;

(e) is making a reasonable effort to improve the quality of its teaching and administrative staffs and of its student services;

(f) is, for financial or other reasons, struggling for survival and is isolated from the main currents of academic life;

(g) meets such other requirements as the Commissioner may prescribe by regulation; and

(h) is not an institution, or department or branch of an institution, whose program is specifically for the education of students to prepare them to become ministers of religion or to enter upon some other religious vocation or to prepare them to teach theological subjects.

ADVISORY COUNCIL ON DEVELOPING INSTITUTIONS

Establishment. SEC. 303. (a) The Commissioner shall establish in the Office of Education an Advisory Council on Developing Institutions (hereinafter in this title referred to as the "Council"), consisting of the Commissioner who shall be Chairman, one representative each of such Federal agencies having responsibilities with respect to developing institutions as the Commissioner may designate, and eight members appointed, without regard to the civil service laws, by the Commissioner with the approval of the Secretary.

Duties. (b) The Council shall advise the Commissioner with respect to policy matters arising in the administration of this title and in particular shall assist the Commissioner in identifying those developing institutions through which the purposes of this title can best be achieved and in establishing priorities for use in approving applications under this title. The Commissioner may appoint such special advisory and technical experts and consultants as may be useful in carrying out the functions of the Council.

Members, compensation. (c) Members of the Council who are not otherwise full-time employees of the United States shall, while serving on business of the Council, receive compensation at a rate to be fixed by the Secretary, but not exceeding \$100 per day, including travel time; and, while so serving away from their homes or regular places of business, members may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b-2) for persons in the Government service employed intermittently.

60 Stat. 808;
75 Stat. 339,
340.

GRANTS FOR COOPERATIVE AGREEMENTS TO STRENGTHEN DEVELOPING INSTITUTIONS

Uses. SEC. 304. (a) The Commissioner is authorized to make grants to developing institutions and other colleges and universities to pay part of the cost of planning, developing, and carrying out cooperative arrangements which show promise as effective measures for strengthening the academic programs and the administration of developing institutions. Such cooperative arrangements may be between developing institutions, between developing institutions and other colleges and universities, and between developing institutions and organizations, agencies, and business entities. Grants under this section may be used for projects and activities such as—

- (1) exchange of faculty or students, including arrangements for bringing visiting scholars to developing institutions;
- (2) faculty and administration improvement programs utilizing training, education (including fellowships leading to advanced degrees), internships, research participation, and other means;
- (3) introduction of new curriculums and curricular materials;
- (4) development and operation of cooperative education programs involving alternate periods of academic study and business or public employment;

(5) joint use of facilities such as libraries or laboratories, including necessary books, materials, and equipment; and

(6) other arrangements which offer promise of strengthening the academic programs and the administration of developing institutions.

(b) A grant may be made under this section only upon application to the Commissioner at such time or times and containing such information as he deems necessary. The Commissioner shall not approve an application unless it—

Conditions.

(1) sets forth a program for carrying out one or more projects or activities which meet the requirements of subsection (a) and provides for such methods of administration as are necessary for the proper and efficient operation of the program;

(2) sets forth policies and procedures which assure that Federal funds made available under this section for any fiscal year will be so used as to supplement and, to the extent practical, increase the level of funds that would, in the absence of such Federal funds, be made available for purposes which meet the requirements of subsection (a), and in no case supplant such funds;

(3) provides for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the applicant under this section; and

(4) provides for making such reports, in such form and containing such information, as the Commissioner may require to carry out his functions under this title, and for keeping such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports.

Record retention.

(c) The Commissioner shall, after consultation with the Council, establish criteria as to eligible expenditures for which grants made under this section may be used, which criteria shall be so designed as to prevent the use of such grants for expenditures not necessary to the achievement of the purposes of this title.

NATIONAL TEACHING FELLOWSHIPS

SEC. 305. (a) The Commissioner is authorized to award fellowships under this section to highly qualified graduate students and junior members of the faculty of colleges and universities, to encourage such individuals to teach at developing institutions. The Commissioner shall award fellowships to individuals for teaching at developing institutions only upon application by an institution approved for this purpose by the Commissioner and only upon a finding by the Commissioner that the program of teaching set forth in the application is reasonable in the light of the qualifications of the teaching fellow and of the educational needs of the applicant.

(b) Fellowships may be awarded under this section for such period of teaching as the Commissioner may determine, but such period shall not exceed two academic years. Each person awarded a fellowship under the provisions of this section shall receive a stipend for each academic year of teaching of not more than \$6,500 as determined by the Commissioner upon the advice of the Council, plus an additional amount of \$400 for each such year on account of each of his dependents.

Stipends.

TITLE IV—STUDENT ASSISTANCE

PART A—EDUCATIONAL OPPORTUNITY GRANTS

STATEMENT OF PURPOSE AND APPROPRIATIONS AUTHORIZED

SEC. 401. (a) It is the purpose of this part to provide, through institutions of higher education, educational opportunity grants to assist in making available the benefits of higher education to qualified high school graduates of exceptional financial need, who for lack of financial means of their own or of their families would be unable to obtain such benefits without such aid.

(b) There are hereby authorized to be appropriated \$70,000,000 for the fiscal year ending June 30, 1966, and for each of the two succeeding fiscal years, to enable the Commissioner to make payments to institutions of higher education that have agreements with him entered into under section 407, for use by such institutions for payments to undergraduate students for the initial academic year of educational opportunity grants awarded to them under this part. For the fiscal year ending June 30, 1969 and for the succeeding fiscal year, there may be appropriated, to carry out the first sentence of this subsection, only such sums as the Congress may hereafter authorize by law. There are further authorized to be appropriated such sums as may be necessary for payment to such institutions for use by them for making educational opportunity grants under this part to undergraduate students for academic years other than the initial year of their educational opportunity grants; but no appropriation may be made pursuant to this sentence for any fiscal year beginning more than three years after the last fiscal year for which an appropriation is authorized under the first sentence. Sums appropriated pursuant to this subsection for any fiscal year shall be available for payment to institutions until the close of the fiscal year succeeding the fiscal year for which they were appropriated. For the purposes of this subsection, payment for the first year of an educational opportunity grant shall not be considered as an initial-year payment if the educational opportunity grant was awarded for the continuing education of a student who had been previously awarded an educational opportunity grant under this part (whether by another institution or otherwise) and had received payment for any year of that educational opportunity grant.

AMOUNT OF EDUCATIONAL OPPORTUNITY GRANT—ANNUAL DETERMINATION

SEC. 402. From the funds received by it for such purpose under this part, an institution of higher education which awards an educational opportunity grant to a student under this part shall, for the duration of the grant, pay to that student for each academic year during which he is in need of grant aid to pursue a course of study at the institution, an amount determined by the institution for such student with respect to that year, which amount shall not exceed—

(1) the lesser of \$800 or one-half of the sum of the amount of student financial aid (including assistance under this title, but excluding assistance from work-study programs) provided such student by such institution and any assistance provided such student under any scholarship program established by a State or a private institution or organization, as determined in accordance with regulation of the Commissioner, or

(2) in the case of a student who during the preceding academic year at an institution of higher education received grades placing him in the upper half of his class, the amount determined under paragraph (1), plus \$200.

If the amount of the payment determined under the preceding sentence for an academic year is less than \$200 for a student, no payment shall be made under this title to that student for that year. The Commissioner shall, subject to the foregoing limitations, prescribe for the guidance of participating institutions basic criteria or schedules (or both) for the determination of the amount of any such educational opportunity grant, taking into account the objective of limiting grant aid under this part to students of exceptional financial need and such other factors, including the number of dependents in the family, as the Commissioner may deem relevant.

DURATION OF EDUCATIONAL OPPORTUNITY GRANT

SEC. 403. The duration of an educational opportunity grant awarded under this part shall be the period required for completion by the recipient of his undergraduate course of study at the institution of higher education from which he received the educational opportunity grant, except that such period shall not exceed four academic years less any such period with respect to which the recipient has previously received payments under this part pursuant to a prior educational opportunity grant (whether made by the same or another institution). An educational opportunity grant awarded under this part shall entitle the recipient to payments only if he (1) is maintaining satisfactory progress in the course of study which he is pursuing, according to the regularly prescribed standards and practices of the institution from which he received the grant, and (2) is devoting essentially full time to that course of study, during the academic year, in attendance at that institution. Failure to be in attendance at the institution during vacation periods or periods of military service, or during other periods during which the Commissioner determines in accordance with regulations that there is good cause for his nonattendance (during which periods he shall receive no payments) shall not be deemed contrary to clause (2).

Absence for
military service,
etc.

SELECTION OF RECIPIENTS OF EDUCATIONAL OPPORTUNITY GRANTS

SEC. 404. (a) An individual shall be eligible for the award of an educational opportunity grant under this part at any institution of higher education which has made an agreement with the Commissioner pursuant to section 407 (which institution is hereinafter in this part referred to as an "eligible institution"), if the individual makes application at the time and in the manner prescribed by that institution.

(b) From among those eligible for educational opportunity grants from an institution of higher education for each fiscal year, the institution shall, in accordance with the provisions of its agreement with the Commissioner under section 407 and within the amount allocated to the institution for that purpose for that year under section 406, select individuals who are to be awarded such grants and determine, pursuant to section 402, the amounts to be paid to them. An institution shall not award an educational opportunity grant to an individual unless it determines that—

(1) he has been accepted for enrollment as a full-time student at such institution or, in the case of a student already attending such institution, is in good standing and in full-time attendance there as an undergraduate student;

(2) he shows evidence of academic or creative promise and capability of maintaining good standing in his course of study;

(3) he is of exceptional financial need; and

(4) he would not, but for an educational opportunity grant, be financially able to pursue a course of study at such institution of higher education.

ALLOTMENT OF EDUCATIONAL OPPORTUNITY GRANT FUNDS AMONG STATES

SEC. 405. (a) (1) From the sums appropriated pursuant to the first sentence of section 401(b) for any fiscal year, the Commissioner shall allot to each State an amount which bears the same ratio to the amount so appropriated as the number of persons enrolled on a full-time basis in institutions of higher education in such State bears to the total number of persons enrolled on a full-time basis in institutions of higher education in all the States. The number of persons enrolled on a full-time basis in institutions of higher education for purposes of this section shall be determined by the Commissioner for the most recent year for which satisfactory data are available to him.

(2) If the total of the sums determined by the Commissioner to be required under section 406 for any fiscal year for eligible institutions in a State is less than the amount of the allotment to that State under paragraph (1) for that year, the Commissioner may reallocate the remaining amount from time to time, on such date or dates as he may fix, to other States in such manner as he determines will best assist in achieving the purposes of this part.

(b) Sums appropriated pursuant to the third sentence of section 401(b) for any fiscal year shall be allotted or reallocated among the States in such manner as the Commissioner determines to be necessary to carry out the purposes for which such sums are appropriated.

ALLOCATION OF ALLOTTED FUNDS TO INSTITUTIONS

SEC. 406. (a) The Commissioner shall from time to time set dates by which eligible institutions in any State must file applications for allocation, to such institutions, of educational opportunity grant funds from the allotment to that State (including any reallocation thereto) for any fiscal year pursuant to section 405(a), to be used for the purposes specified in the first sentence of section 401(b). Such allocations shall be made in accordance with equitable criteria which the Commissioner shall establish and which shall be designed to achieve such distribution of such funds among eligible institutions within a State as will most effectively carry out the purposes of this part.

(b) The Commissioner shall further, in accordance with regulations, allocate to eligible institutions, in any State, from funds apportioned or reapportioned pursuant to section 405(b), funds to be used for the educational opportunity grants specified in the third sentence of section 401(b).

(c) Payment shall be made from allocations under this section to institutions as needed.

AGREEMENTS WITH INSTITUTIONS—CONDITIONS

SEC. 407. (a) An institution of higher education which desires to obtain funds for educational opportunity grants under this part, shall enter into an agreement with the Commissioner. Such agreement shall—

(1) provide that funds received by the institution under this part will be used by it only for the purposes specified in, and in accordance with, the provisions of this part;

(2) provide that in determining whether an individual meets the requirements of section 404(b) (3) the institution will (A)

consider the source of such individual's income and that of any individual or individuals upon whom the student relies primarily for support, and (B) make an appropriate review of the assets of the student and of such individuals;

(3) provide that the institution, in cooperation with other institutions of higher education where appropriate, will make vigorous efforts to identify qualified youths of exceptional financial need and to encourage them to continue their education beyond secondary school through programs and activities such as—

(A) establishing or strengthening close working relationships with secondary-school principals and guidance and counseling personnel with a view toward motivating students to complete secondary school and pursue post-secondary-school educational opportunities, and

(B) making, to the extent feasible, conditional commitments for educational opportunity grants to qualified secondary school students with special emphasis on students enrolled in grade 11 or lower grades who show evidences of academic or creative promise;

(4) provide assurance that the institution will continue to spend in its own scholarship and student-aid program, from sources other than funds received under this part, not less than the average expenditure per year made for that purpose during the most recent period of three fiscal years preceding the effective date of the agreement;

(5) include provisions designed to make educational opportunity grants under this part reasonably available (to the extent of available funds) to all eligible students in the institution in need thereof; and

(6) include such other provisions as may be necessary to protect the financial interest of the United States and promote the purposes of this part.

(b)(1) An institution, which has in effect an agreement for Federal capital contributions for a student loan fund pursuant to title II of the National Defense Education Act of 1958, may use, as an additional Federal capital contribution for the purposes of such loan fund, not to exceed 25 per centum of the funds paid to it for any fiscal year ending prior to July 1, 1970, for the purpose set forth in section 401(b). The requirement in section 204(2)(B) of such Act shall not apply to such a Federal capital contribution.

(2) For the purpose of making payments from amounts appropriated pursuant to the third sentence of section 401(b), any institution electing for any fiscal year to use an amount of its payment as a Federal capital contribution pursuant to paragraph (1) shall be paid an equal amount for each of the succeeding three fiscal years from such amounts appropriated pursuant to such third sentence, if the amount so paid to the institution for each such year is used by such institution as such a Federal capital contribution.

72 Stat. 1583.
20 USC 421-429.

CONTRACTS TO ENCOURAGE FULL UTILIZATION OF EDUCATIONAL TALENT

SEC. 408. (a) To assist in achieving the purposes of this part the Commissioner is authorized (without regard to section 3709 of the Revised Statutes (41 U.S.C. 5)), to enter into contracts, not to exceed \$100,000 per year, with State and local educational agencies and other public or nonprofit organizations and institutions for the purpose of—

(1) identifying qualified youths of exceptional financial need and encouraging them to complete secondary school and undertake postsecondary educational training,

(2) publicizing existing forms of student financial aid, including aid furnished under this part, or

(3) encouraging secondary-school or college dropouts of demonstrated aptitude to reenter educational programs, including post-secondary-school programs.

Appropriation.

(b) There are hereby authorized to be appropriated such sums as may be necessary to carry out this section.

DEFINITION OF "ACADEMIC YEAR"

SEC. 409. As used in this part, the term "academic year" means an academic year or its equivalent as defined in regulations of the Commissioner.

PART B—FEDERAL, STATE, AND PRIVATE PROGRAMS OF LOW-INTEREST INSURED LOANS TO STUDENTS IN INSTITUTIONS OF HIGHER EDUCATION

STATEMENT OF PURPOSE AND APPROPRIATIONS AUTHORIZED

SEC. 421. (a) The purpose of this part is to enable the Commissioner (1) to encourage States and nonprofit private institutions and organizations to establish adequate loan insurance programs for students in eligible institutions (as defined in section 435), (2) to provide a Federal program of student loan insurance for students who do not have reasonable access to a State or private nonprofit program of student loan insurance covered by an agreement under section 428(b), and (3) to pay a portion of the interest on loans to qualified students which are made by a State under a direct loan program meeting the requirements of section 428(a) (1) (B), or which are insured under this part or under a program of a State or of a nonprofit private institution or organization which meets the requirements of section 428(a) (1) (C).

(b) For the purpose of carrying out this part—

(1) there are authorized to be appropriated to the student loan insurance fund (established by section 431) (A) the sum of \$1,000,000, and (B) such further sums, if any, as may become necessary for the adequacy of the student loan insurance fund,

(2) there are authorized to be appropriated, for payments under section 428 with respect to interest on student loans, such sums for the fiscal year ending June 30, 1966, and succeeding fiscal years, as may be required therefor, and

(3) there is authorized to be appropriated the sum of \$17,500,000 for making advances pursuant to section 422 for the reserve funds of State and nonprofit private student loan insurance programs.

Sums appropriated under clauses (1) and (2) of this subsection shall remain available until expended, and sums appropriated under clause (3) of this subsection shall remain available for advances under section 422 until the close of the fiscal year ending June 30, 1968.

ADVANCES FOR RESERVE FUNDS OF STATE AND NONPROFIT PRIVATE LOAN INSURANCE PROGRAMS

SEC. 422. (a) (1) From the sums appropriated pursuant to clause (3) of section 421(b), the Commissioner is authorized to make advances to any State with which he has made an agreement pursuant to section 428(b) for the purpose of helping to establish or strengthen the reserve fund of the student loan insurance program covered by that agreement. If for any of the fiscal years ending June 30, 1966, June 30, 1967, or June 30, 1968, a State does not have a student loan insurance program covered by an agreement made pursuant to section 428(b), and the

Commissioner determines after consultation with the chief executive officer of that State that there is no reasonable likelihood that the State will have such a student loan insurance program for such year, the Commissioner may make advances for such year for the same purpose to one or more nonprofit private institutions or organizations with which he has made an agreement pursuant to section 428(b) in order to enable students in that State to participate in a program of student loan insurance covered by such an agreement. The Commissioner may make advances under this subsection both to a State program (with which he has such an agreement) and to one or more nonprofit private institutions or organizations (with which he has such an agreement) in that State if he determines that such advances are necessary in order that students in each eligible institution have access through such institution to a student loan insurance program which meets the requirements of section 428(b)(1).

(2) Advances pursuant to this subsection shall be upon such terms and conditions (including conditions relating to the time or times of payment) consistent with the requirements of section 428(b) as the Commissioner determines will best carry out the purposes of this section. Advances made by the Commissioner under this subsection shall be repaid within such period as the Commissioner may deem to be appropriate in each case in the light of the maturity and solvency of the reserve fund for which the advance was made.

(b) The total of the advances to any State pursuant to subsection (a) may not exceed an amount which bears the same ratio to $2\frac{1}{2}$ per centum of \$700,000,000 as the population of that State aged eighteen to twenty-two, inclusive, bears to the total population of all the States aged eighteen to twenty-two, inclusive. If the amount so determined for any State, however, is less than \$25,000, it shall be increased to \$25,000 and the total of the increases thereby required shall be derived by proportionately reducing (but not below \$25,000) the amount so determined for each of the remaining States. Advances to nonprofit private institutions and organizations pursuant to subsection (a) may be in such amounts as the Commissioner determines will best achieve the purposes for which they are made, except that the sum of (1) advances to such institutions and organizations for the benefit of students in any State plus (2) the amounts advanced to such State, may not exceed the maximum amount which may be advanced to that State pursuant to the first two sentences of this subsection. For the purposes of this subsection, the population aged eighteen to twenty-two, inclusive, of each State and of all the States shall be determined by the Commissioner on the basis of the most recent satisfactory data available to him.

EFFECT OF ADEQUATE NON-FEDERAL PROGRAMS

SEC. 423. The Commissioner shall not issue certificates of insurance under section 429 to lenders in a State if he determines that every eligible institution has reasonable access in that State to a State or private nonprofit student loan insurance program which is covered by an agreement under section 428(b).

SCOPE AND DURATION OF FEDERAL LOAN INSURANCE PROGRAM

SEC. 424. (a) The total principal amount of new loans made and installments paid pursuant to lines of credit (as defined in section 435) to students covered by Federal loan insurance under this part shall not exceed \$700,000,000 in the fiscal year ending June 30, 1966, \$1,000,000,000 in the fiscal year ending June 30, 1967, and \$1,400,000,000 in the fiscal year ending June 30, 1968. Thereafter,

Federal loan insurance pursuant to this part may be granted only for loans made (or for loan installments paid pursuant to lines of credit) to enable students, who have obtained prior loans insured under this part, to continue or complete their educational program; but no insurance may be granted for any loan made or installment paid after June 30, 1972.

(b) The Commissioner may, if he finds it necessary to do so in order to assure an equitable distribution of the benefits of this part, assign, within the maximum amounts specified in subsection (a), Federal loan insurance quotas applicable to eligible lenders, or to States or areas, and may from time to time reassign unused portions of these quotas.

LIMITATIONS ON INDIVIDUAL FEDERALLY INSURED LOANS AND ON FEDERAL LOAN INSURANCE

SEC. 425. (a) (1) The total of the loans made to a student in any academic year or its equivalent (as determined under regulations of the Commissioner) which may be covered by Federal loan insurance under this part may not exceed \$1,500 in the case of a graduate or professional student (as defined in regulations of the Commissioner), or \$1,000 in the case of any other student. The aggregate insured unpaid principal amount of all such insured loans made to any student shall not at any time exceed \$7,500 in the case of any graduate or professional student (as defined in regulations of the Commissioner, and including any such insured loans made to such person before he became a graduate or professional student), or \$5,000 in the case of any other student. The annual insurable limit per student shall not be deemed to be exceeded by a line of credit under which actual payments by the lender to the borrower will not be made in any year in excess of the annual limit.

(2) If in any academic year or its equivalent a student receives a loan which is insured by the Commissioner under this part, no loan to that student in that year may be made or insured by the Commissioner under the National Vocational Student Loan Insurance Act of 1965; and if in any academic year or its equivalent a student receives a loan which is made or insured by the Commissioner under the National Vocational Student Loan Insurance Act of 1965, no loan to that student in that year may be insured by the Commissioner under this part.

(b) The insurance liability on any loan insured by the Commissioner under this part shall be 100 per centum of the unpaid balance of the principal amount of the loan. Such insurance liability shall not include liability for interest whether or not that interest has been added to the principal amount of the loan.

Ante, p. 1037.

SOURCES OF FUNDS

SEC. 426. Loans made by eligible lenders in accordance with this part shall be insurable by the Commissioner whether made from funds fully owned by the lender or from funds held by the lender in a trust or similar capacity and available for such loans.

ELIGIBILITY OF STUDENT BORROWERS AND TERMS OF STUDENT LOANS

SEC. 427. (a) A loan by an eligible lender shall be insurable by the Commissioner under the provisions of this part only if—

(1) made to a student who (A) has been accepted for enrollment at an eligible institution or, in the case of a student already attending such institution, is in good standing there as determined by the institution, and (B) is carrying at least one-half of the normal full-time workload as determined by the institution, and

(C) has provided the lender with a statement of the institution which sets forth a schedule of the tuition and fees applicable to that student and its estimate of the cost of board and room for such a student; and

(2) evidenced by a note or other written agreement which—

(A) is made without security and without endorsement, except that if the borrower is a minor and such note or other written agreement executed by him would not, under the applicable law, create a binding obligation, endorsement may be required,

(B) provides for repayment (except as provided in subsection (c)) of the principal amount of the loan in installments over a period of not less than five years (unless sooner repaid) nor more than ten years beginning not earlier than nine months nor later than one year after the date on which the student ceases to carry at an eligible institution at least one-half the normal full-time academic workload as determined by the institution, except (i) as provided in clause (C) below, (ii) that the period of the loan may not exceed fifteen years from the execution of the note or written agreement evidencing it and (iii) that the note or other written instrument may contain such provisions relating to repayment in the event of default in the payment of interest or in the payment of the cost of insurance premiums, or other default by the borrower, as may be authorized by regulations of the Commissioner in effect at the time the loan is made,

(C) provides that periodic installments of principal need not be paid, but interest shall accrue and be paid, during any period (i) during which the borrower is pursuing a full-time course of study at an institution of higher education or at a comparable institution outside the States approved for this purpose by the Commissioner, (ii) not in excess of three years, during which the borrower is a member of the Armed Forces of the United States, or (iii) not in excess of three years during which the borrower is in service as a volunteer under the Peace Corps Act, and any such period shall not be included in determining the ten-year period or the fifteen-year period provided in clause (B) above,

75 Stat. 612.
22 USC 2501
note.

(D) provides for interest on the unpaid principal balance of the loan at a yearly rate, not exceeding the applicable maximum rate prescribed and defined by the Secretary (within the limits set forth in subsection (b)) on a national, regional, or other appropriate basis, which interest shall be payable in installments over the period of the loan except that, if provided in the note or other written agreement, any interest payable by the student may be deferred until not later than the date upon which repayment of the first installment of principal falls due, in which case interest that has so accrued during that period may be added on that date to the principal (but without thereby increasing the insurance liability under this part),

(E) provides that the lender will not collect or attempt to collect from the borrower any portion of the interest on the note which is payable by the Commissioner under this part,

(F) entitles the student borrower to accelerate without penalty repayment of the whole or any part of the loan, and

(G) contains such other terms and conditions, consistent with the provisions of this part and with the regulations

issued by the Commissioner pursuant to this part, as may be agreed upon by the parties to such loan, including, if agreed upon, a provision requiring the borrower to pay to the lender, in addition to principal and interest, amounts equal to the insurance premiums payable by the lender to the Commissioner with respect to such loan.

(b) No maximum rate of interest prescribed and defined by the Secretary for the purposes of clause (2)(D) of subsection (a) may exceed 6 per centum per annum on the unpaid principal balance of the loan, except that under circumstances which threaten to impede the carrying out of the purposes of this part, one or more of such maximum rates of interest may be as high as 7 per centum per annum on the unpaid principal balance of the loan.

(c) The total of the payments by a borrower during any year of any repayment period with respect to the aggregate amount of all loans to that borrower which are insured by the Commissioner under this part shall not be less than \$360 or the balance of all of such loans (together with interest thereon), whichever amount is less.

FEDERAL PAYMENTS TO REDUCE STUDENT INTEREST COSTS

SEC. 428. (a) (1) Each student who has received a loan for study at eligible institution—

- (A) which is insured by the Commissioner under this part;
- (B) which was made under a State student loan program (meeting criteria prescribed by the Commissioner), and which was contracted for, and paid to the student, within the period specified by paragraph (4); or
- (C) which is insured under a program of a State or of a non-profit private institution or organization, which was contracted for, and paid to the student, within the period specified in paragraph (4), and which—

(i) in the case of a loan insured prior to July 1, 1967, was made by an eligible lender and is insured under a program which meets the requirements of subparagraph (E) of subsection (b) (1) and provides that repayment of such loan shall be in installments beginning not earlier than sixty days after the student ceases to pursue a course of study (as described in subparagraph (D) of subsection (b) (1)) at an eligible institution, or

(ii) in the case of a loan insured after June 30, 1967, is insured under a program covered by an agreement made pursuant to subsection (b),

and whose adjusted family income is less than \$15,000 at the time of execution of the note or written agreement evidencing such loan, shall be entitled to have paid on his behalf and for his account to the holder of the loan, over the period of the loan, a portion of the interest on the loan. For the purposes of this paragraph, the adjusted family income of a student shall be determined pursuant to regulations of the Commissioner in effect at the time of the execution of the note or written agreement evidencing the loan. Such regulations shall provide for taking into account such factors, including family size, as the Commissioner deems appropriate. In the absence of fraud by the lender, such determination of the adjusted family income of a student shall be final insofar as it concerns the obligation of the Commissioner to pay the holder of a loan a portion of the interest on the loan.

(2) The portion of the interest on a loan which a student is entitled to have paid on his behalf and for his account to the holder of the loan pursuant to paragraph (1) shall be equal to the total amount

Adjusted family
income, deter-
mination.

of the interest on the unpaid principal amount of the loan which accrues prior to the beginning of the repayment period of the loan, and 3 per centum per annum of the unpaid principal amount of the loan (excluding interest which has been added to principal) thereafter; but such portion of the interest on a loan shall not exceed, for any period, the amount of the interest on that loan which is payable by the student after taking into consideration the amount of any interest on that loan which the student is entitled to have paid on his behalf for that period under any State or private loan insurance program. The holder of a loan with respect to which payments are required to be made under this section shall be deemed to have a contractual right, as against the United States, to receive from the Commissioner the portion of interest which has been so determined. The Commissioner shall pay this portion of the interest to the holder of the loan on behalf of and for the account of the borrower at such times as may be specified in regulations in force when the applicable agreement entered into pursuant to subsection (b) was made, or if the loan was made by a State or is insured under a program which is not covered by such an agreement, at such times as may be specified in regulations in force at the time the loan was paid to the student.

(3) Each holder of a loan with respect to which payments of interest are required to be made by the Commissioner shall submit to the Commissioner, at such time or times and in such manner as he may prescribe, statements containing such information as may be required by or pursuant to regulation for the purpose of enabling the Commissioner to determine the amount of the payment which he must make with respect to that loan.

(4) The period referred to in subparagraphs (B) and (C) of paragraph (1) of this subsection shall begin on the date of enactment of this Act and end at the close of June 30, 1968, except that, in the case of a loan made or insured under a student loan or loan insurance program to enable a student who has obtained a prior loan made or insured under such program to continue his educational program, such period shall end at the close of June 30, 1972.

(5) No payment may be made under this section with respect to the interest on a loan made from a student loan fund established under title II of the National Defense Education Act of 1958.

(6) In no event shall interest payments with respect to the same student loan be made under both this section and under section 9 of the National Vocational Student Loan Insurance Act of 1965.

(b)(1) Any State or any nonprofit private institution or organization may enter into an agreement with the Commissioner for the purpose of entitling students who receive loans which are insured under a student loan insurance program of that State, institution, or organization to have made on their behalf the payments provided for in subsection (a) if the Commissioner determines that the student loan insurance program—

(A) authorizes the insurance of not less than \$1,000 nor more than \$1,500 in loans to any individual student in any academic year or its equivalent (as determined under regulations of the Commissioner);

(B) authorizes the insurance of loans to any individual student for at least six academic years of study or their equivalent (as determined under regulations of the Commissioner);

(C) provides that (i) the student borrower shall be entitled to accelerate without penalty the whole or any part of an insured loan, (ii) the period of any insured loan may not exceed fifteen years from the date of execution of the note or other written evidence of the loan, and (iii) the note or other written evidence

72 Stat. 1583.
20 USC 421-429.

Ante, p. 1041.
Agreements.

of any loan may contain such provisions relating to repayment in the event of default by the borrower as may be authorized by regulations of the Commissioner in effect at the time such note or written evidence was executed;

(D) subject to subparagraph (C), provides that, where the total of the insured loans to any student which are held by any one person exceeds \$2,000, repayment of such loans shall be in installments over a period of not less than five years nor more than ten years beginning not earlier than nine months nor later than one year after the student ceases to pursue a full-time course of study at an eligible institution, except that if the program provides for the insurance of loans for part-time study at eligible institutions the program shall provide that such repayment period shall begin not earlier than nine months nor later than one year after the student ceases to carry at an eligible institution at least one-half the normal full-time academic workload as determined by the institution;

(E) authorizes interest on the unpaid balance of the loan at a yearly rate not in excess of 6 per centum per annum on the unpaid principal balance of the loan (exclusive of any premium for insurance which may be passed on to the borrower);

(F) insures not less than 80 per centum of the unpaid principal of loans insured under the program;

(G) does not provide for collection of an excessive insurance premium;

(H) provides that the benefits of the loan insurance program will not be denied any student because of his family income or lack of need if his adjusted family income at the time the note or written agreement is executed is less than \$15,000 (as determined pursuant to the regulations of the Commissioner prescribed under section 428(a)(1));

(I) provides that a student may obtain insurance under the program for a loan for any year of study at an eligible institution; and

(J) in the case of a State program, provides that such State program is administered by a single State agency, or by one or more nonprofit private institutions or organizations under the supervision of a single State agency.

Conditions.

(2) Such an agreement shall—

(A) provide that the holder of any such loan will be required to submit to the Commissioner, at such time or times and in such manner as he may prescribe, statements containing such information as may be required by or pursuant to regulation for the purpose of enabling the Commissioner to determine the amount of the payment which he must make with respect to that loan;

(B) include such other provisions as may be necessary to protect the financial interest of the United States and promote the purposes of this part and as are agreed to by the Commissioner and the State or nonprofit private organization or institution, as the case may be; and

(C) provide for making such reports in such form and containing such information as the Commissioner may reasonably require to carry out his function under this part and for keeping such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports.

CERTIFICATES OF FEDERAL LOAN INSURANCE—EFFECTIVE DATE OF
INSURANCE

SEC. 429. (a) (1) If, upon application by an eligible lender, made upon such form, containing such information, and supported by such evidence as the Commissioner may require, and otherwise in conformity with this section, the Commissioner finds that the applicant has made a loan to an eligible student which is insurable under the provisions of this part, he may issue to the applicant a certificate of insurance covering the loan and setting forth the amount and terms of the insurance.

(2) Insurance evidenced by a certificate of insurance pursuant to subsection (a) (1) shall become effective upon the date of issuance of the certificate, except that the Commissioner is authorized, in accordance with regulations, to issue commitments with respect to proposed loans, or with respect to lines (or proposed lines) of credit, submitted by eligible lenders, and in that event, upon compliance with subsection (a) (1) by the lender, the certificate of insurance may be issued effective as of the date when any loan, or any payment by the lender pursuant to a line of credit, to be covered by such insurance was made. Such insurance shall cease to be effective upon sixty days' default by the lender in the payment of any installment of the premiums payable pursuant to subsection (c).

(3) An application submitted pursuant to subsection (a) (1) shall contain (A) an agreement by the applicant to pay, in accordance with regulations, the premiums fixed by the Commissioner pursuant to subsection (c), and (B) an agreement by the applicant that if the loan is covered by insurance the applicant will submit such supplementary reports and statements during the effective period of the loan agreement, upon such forms, at such times, and containing such information as the Commissioner may prescribe by or pursuant to regulation.

(b) (1) In lieu of requiring a separate insurance application and issuing a separate certificate of insurance for each student loan made by an eligible lender as provided in subsection (a), the Commissioner may, in accordance with regulations consistent with section 424, issue to any eligible lender applying therefor a certificate of comprehensive insurance coverage which shall, without further action by the Commissioner, insure all insurable loans made by that lender, on or after the date of the certificate and before a specified cutoff date, within the limits of an aggregate maximum amount stated in the certificate. Such regulations may provide for conditioning such insurance, with respect to any loan, upon compliance by the lender with such requirements (to be stated or incorporated by reference in the certificate) as in the Commissioner's judgment will best achieve the purpose of this subsection while protecting the financial interest of the United States and promoting the objectives of this part, including (but not limited to) provisions as to the reporting of such loans and information relevant thereto to the Commissioner and as to the payment of initial and other premiums and the effect of default therein, and including provision for confirmation by the Commissioner from time to time (through endorsement of the certificate) of the coverage of specific new loans by such certificate, which confirmation shall be incontestable by the Commissioner in the absence of fraud or misrepresentation of fact or patent error.

Comprehensive
insurance cer-
tificates.

(2) If the holder of a certificate of comprehensive insurance coverage issued under this subsection grants to a student a line of credit extending beyond the cutoff date specified in that certificate, loans or payments thereon made by the holder after that date pursuant to the line of credit shall not be deemed to be included in the coverage of that certificate except as may be specifically provided therein; but, subject

to the limitations of section 424, the Commissioner may, in accordance with regulations, make commitments to insure such future loans or payments, and such commitments may be honored either as provided in subsection (a) or by inclusion of such insurance in comprehensive coverage under this subsection for the period or periods in which such future loans or payments are made.

(c) The Commissioner shall, pursuant to regulations, charge for insurance on each loan under this part a premium in an amount not to exceed one-fourth of 1 per centum per year of the unpaid principal amount of such loan (excluding interest added to principal), payable in advance, at such times and in such manner as may be prescribed by the Commissioner. Such regulations may provide that such premium shall not be payable, or if paid shall be refundable, with respect to any period after default in the payment of principal or interest or after the borrower has died or becomes totally and permanently disabled, if (1) notice of such default or other event has been duly given, and (2) request for payment of the loss insured against has been made or the Commissioner has made such payment on his own motion pursuant to section 430(a).

(d) The rights of an eligible lender arising under insurance evidenced by a certificate of insurance issued to it under this section may be assigned as security by such lender only to another eligible lender, and subject to regulation by the Commissioner.

(e) The consolidation of the obligations of two or more federally-insured loans obtained by a student borrower in any fiscal year into a single obligation evidenced by a single instrument of indebtedness shall not affect the insurance by the United States. If the loans thus consolidated are covered by separate certificates of insurance issued under subsection (a), the Commissioner may upon surrender of the original certificates issue a new certificate of insurance in accordance with that subsection upon the consolidated obligation; if they are covered by a single comprehensive certificate issued under subsection (b), the Commissioner may amend that certificate accordingly.

DEFAULT, DEATH, OR DISABILITY OF STUDENT UNDER FEDERAL LOAN INSURANCE PROGRAM

SEC. 430. (a) Upon default by the student borrower on any loan covered by Federal loan insurance pursuant to this part, or upon the death of the student borrower or a finding by the insurance beneficiary that the borrower has become totally and permanently disabled (as determined in accordance with regulations established by the Commissioner) before the loan has been repaid in full, and prior to the commencement of suit or other enforcement proceeding upon security for that loan, the insurance beneficiary shall promptly notify the Commissioner, and the Commissioner shall if requested (at that time or after further collection efforts) by the beneficiary, or may on his own motion, if the insurance is still in effect, pay to the beneficiary the amount of the loss sustained by the insured upon that loan as soon as that amount has been determined. The "amount of the loss" on any loan shall, for the purposes of this subsection and subsection (b), be deemed to be an amount equal to the unpaid balance of the principal amount of the loan (other than interest added to principal).

(b) Upon payment by the Commissioner of the amount of the loss pursuant to subsection (a), the United States shall be subrogated to all of the rights of the holder of the obligation upon the insured loan and shall be entitled to an assignment of the note or other evidence of the insured loan by the insurance beneficiary. If the net recovery made by the Commissioner on a loan after deduction of the cost of

Loan consolidation.

"Amount of the loss."

that recovery (including reasonable administrative costs) exceeds the amount of the loss, the excess shall be paid over to the insured.

(c) Nothing in this section or in this part shall be construed to preclude any forbearance for the benefit of the student borrower which may be agreed upon by the parties to the insured loan and approved by the Commissioner, or to preclude forbearance by the Commissioner in the enforcement of the insured obligation after payment on that insurance, or to require collection of the amount of any loan by the insurance beneficiary or by the Commissioner from the estate of a deceased borrower or from a borrower found by the insurance beneficiary to have become permanently and totally disabled.

(d) Nothing in this section or in this part shall be construed to excuse the holder of a federally insured loan from exercising reasonable care and diligence in the making and collection of loans under the provisions of this part. If the Commissioner, after reasonable notice and opportunity for hearing to an eligible lender, finds that it has substantially failed to exercise such care and diligence or to make the reports and statements required under section 428(a)(3) and section 429(a)(3), or to pay the required Federal loan insurance premiums, he shall disqualify that lender for further Federal insurance on loans granted pursuant to this part until he is satisfied that its failure has ceased and finds that there is reasonable assurance that the lender will in the future exercise necessary care and diligence or comply with such requirements, as the case may be.

(e) As used in this section—

(1) the term "insurance beneficiary" means the insured or its authorized assignee in accordance with section 429(d); and

"Insurance beneficiary."

(2) the term "default" includes only such defaults as have existed for (A) one hundred and twenty days in the case of a loan which is repayable in monthly installments, or (B) one hundred and eighty days in the case of a loan which is repayable in less frequent installments.

"Default."

INSURANCE FUND

SEC. 431. (a) There is hereby established a student loan insurance fund (hereinafter in this section called the "fund") which shall be available without fiscal year limitation to the Commissioner for making payments in connection with the default of loans insured by him under this part. All amounts received by the Commissioner as premium charges for insurance and as receipts, earnings, or proceeds derived from any claim or other assets acquired by the Commissioner in connection with his operations under this part, and any other moneys, property, or assets derived by the Commissioner from his operations in connection with this section, shall be deposited in the fund. All payments in connection with the default of loans insured by the Commissioner under this part shall be paid from the fund. Moneys in the fund not needed for current operations under this section may be invested in bonds or other obligations guaranteed as to principal and interest by the United States. Establishment.

(b) If at any time the moneys in the fund are insufficient to make payments in connection with the default of any loan insured by the Commissioner under this part, the Commissioner is authorized to issue to the Secretary of the Treasury notes or other obligations in such forms and denominations, bearing such maturities, and subject to such terms and conditions as may be prescribed by the Commissioner with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of Insufficient moneys.

comparable maturities during the month preceding the issuance of the notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations issued hereunder and for that purpose he is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under that Act, as amended, are extended to include any purchases of such notes and obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this subsection. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States. Sums borrowed under this subsection shall be deposited in the fund and redemption of such notes and obligations shall be made by the Commissioner from such fund.

40 Stat. 288.
31 USC 774.

LEGAL POWERS AND RESPONSIBILITIES

SEC. 432. (a) In the performance of, and with respect to, the functions, powers, and duties vested in him by this part, the Commissioner may—

(1) prescribe such regulations as may be necessary to carry out the purposes of this part;

(2) sue and be sued in any court of record of a State having general jurisdiction or in any district court of the United States, and such district courts shall have jurisdiction of civil actions arising under this part without regard to the amount in controversy, and any action instituted under this subsection by or against the Commissioner shall survive notwithstanding any change in the person occupying the office of Commissioner or any vacancy in that office; but no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against the Commissioner or property under his control, and nothing herein shall be construed to except litigation arising out of activities under this part from the application of sections 507(b) and 2679 of title 28 of the United States Code and of section 367 of the Revised Statutes (5 U.S.C. 316);

62 Stat. 910,
984; 75 Stat. 539.

(3) include in any contract for Federal loan insurance such terms, conditions, and covenants relating to repayment of principal and payment of interest, relating to his obligations and rights and to those of eligible lenders, and borrowers in case of default, and relating to such other matters as the Commissioner determines to be necessary to assure that the purposes of this part will be achieved; and any term, condition, and covenant made pursuant to this clause or any other provisions of this part may be modified by the Commissioner if he determines that modification is necessary to protect the financial interest of the United States;

(4) subject to the specific limitations in this part, consent to the modification, with respect to rate of interest, time of payment of any installment of principal and interest or any portion thereof, or any other provision of any note or other instrument evidencing a loan which has been insured by him under this part;

(5) enforce, pay, or compromise, any claim on, or arising because of, any such insurance; and

(6) enforce, pay, compromise, waive, or release any right, title, claim, lien, or demand, however acquired, including any equity or any right or redemption.

(b) The Commissioner shall, with respect to the financial operations arising by reason of this part—

(1) prepare annually and submit a budget program as provided for wholly owned Government corporations by the Government Corporation Control Act; and

59 Stat. 597.
31 USC 841 note.
GAO audit.

(2) maintain with respect to insurance under this part an integral set of accounts, which shall be audited annually by the General Accounting Office in accordance with principles and procedures applicable to commercial corporate transactions, as provided by section 105 of the Government Corporation Control Act, except that the transactions of the Commissioner, including the settlement of insurance claims and of claims for payments pursuant to section 428, and transactions related thereto and vouchers approved by the Commissioner in connection with such transactions, shall be final and conclusive upon all accounting and other officers of the Government.

ADVISORY COUNCIL ON INSURED LOANS TO STUDENTS

SEC. 433. (a) The Secretary shall establish in the Office of Education an Advisory Council on Insured Loans to Students, consisting of the Commissioner, who shall be Chairman, and eight members appointed, without regard to the civil service laws, by the Secretary. The membership of the Council shall include persons representing State loan insurance programs, private nonprofit loan insurance programs, financial and credit institutions, and institutions of higher education.

Establishment.

(b) The Advisory Council shall advise the Commissioner with respect to policy matters arising in the administration of this part, including policies and procedures governing the making of advances under section 422 and the Federal payments to reduce student interest costs under section 428.

(c) Members of the Advisory Council who are not regular full-time employees of the United States shall, while serving on the business of the Council, be entitled to receive compensation at rates fixed by the Secretary, but not exceeding \$100 per day, including travel time; and, while so serving away from their homes or regular places of business, members may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b-2) for persons in the Government service employed intermittently.

Compensation.

60 Stat. 808;
75 Stat. 339,
340.

PARTICIPATION BY FEDERAL CREDIT UNIONS IN FEDERAL, STATE, AND PRIVATE STUDENT LOAN INSURANCE PROGRAMS

SEC. 434. Notwithstanding any other provision of law, Federal credit unions shall, pursuant to regulations of the Director of the Bureau of Federal Credit Unions, have power to make insured loans up to 10 per centum of their assets, to student members in accordance with the provisions of this part relating to federally insured loans, or in accordance with the provisions of any State or nonprofit private student loan insurance program which meets the requirements of section 428(a)(1)(C).

DEFINITIONS FOR REDUCED-INTEREST STUDENT LOAN INSURANCE PROGRAM

SEC. 435. As used in this part:

(a) The term "eligible institution" means an educational institution in any State which (1) admits as regular students only persons

having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such certificate, (2) is legally authorized within such State to provide a program of education beyond secondary education, (3) provides an educational program for which it awards a bachelor's degree or provides not less than a two-year program which is acceptable for full credit toward such a degree, (4) is a public or other nonprofit institution, and (5) is accredited by a nationally recognized accrediting agency or association approved by the Commissioner for this purpose or, if not so accredited, (A) is an institution with respect to which the Commissioner has determined that there is satisfactory assurance, considering the resources available to the institution, the period of time, if any, during which it has operated, the effort it is making to meet accreditation standards, and the purpose for which this determination is being made, that the institution will meet the accreditation standards of such an agency or association within a reasonable time, or (B) is an institution whose credits are accepted on transfer by not less than three institutions which are so accredited, for credit on the same basis as if transferred from an institution so accredited. Such term also includes any public or other nonprofit collegiate or associate degree school of nursing and any school which provides not less than a one-year program of training to prepare students for gainful employment in a recognized occupation and which meets the provisions of clauses (1), (2), (4), and (5). If the Commissioner determines that a particular category of such schools does not meet the requirements of clause (5) because there is no nationally recognized accrediting agency or association qualified to accredit schools in such category, he shall, pending the establishment of such an accrediting agency or association, appoint an advisory committee, composed of persons specially qualified to evaluate training provided by schools in such category, which shall (i) prescribe the standards of content, scope, and quality which must be met in order to qualify schools in such category to participate in the program pursuant to this part, and (ii) determine whether particular schools not meeting the requirements of clause (5) meet those standards. For purposes of this subsection, the Commissioner shall publish a list of nationally recognized accrediting agencies or associations which he determines to be reliable authority as to the quality of training offered.

(b) The term "collegiate school of nursing" means a department, division, or other administrative unit in a college or university which provides primarily or exclusively an accredited program of education in professional nursing and allied subjects leading to the degree of bachelor of arts, bachelor of science, bachelor of nursing, or to an equivalent degree, or to a graduate degree in nursing.

(c) The term "associate degree school of nursing" means a department, division, or other administrative unit in a junior college, community college, college, or university which provides primarily or exclusively an accredited two-year program of education in professional nursing and allied subjects leading to an associate degree in nursing or to an equivalent degree.

(d) The term "accredited" when applied to any program of nurse education means a program accredited by a recognized body or bodies approved for such purpose by the Commissioner of Education.

(e) The term "eligible lender" means an eligible institution, an agency or instrumentality of a State, or a financial or credit institution (including an insurance company) which is subject to examination and supervision by an agency of the United States or of any State.

(f) The term "line of credit" means an arrangement or agreement between the lender and the borrower whereby a loan is paid out by the

lender to the borrower in annual installments, or whereby the lender agrees to make, in addition to the initial loan, additional loans in subsequent years.

PART C—COLLEGE WORK-STUDY PROGRAM EXTENSION AND AMENDMENTS

TRANSFER OF AUTHORITY AND OTHER AMENDMENTS

SEC. 441. Parts C and D of title I of the Economic Opportunity Act of 1964 (Public Law 88-452) are amended as follows:

(1) By striking out "Director" in the first sentence of section 122(a) and inserting in lieu thereof "Commissioner of Education (hereinafter in this part referred to as the 'Commissioner')", and by striking out "Director" wherever that word appears in the other provisions of such part C and inserting in lieu thereof "Commissioner";

78 Stat. 514.
42 USC 2752.

(2) By amending that part of section 121 that follows the section designation to read as follows: "The purpose of this part is to stimulate and promote the part-time employment of students, particularly students from low-income families, in institutions of higher education who are in need of the earnings from such employment to pursue courses of study at such institutions.";

42 USC 2751.

(3) By striking out section 123 and inserting in lieu thereof the following:

"GRANTS FOR WORK-STUDY PROGRAMS

"SEC. 123. (a) The Commissioner is authorized to enter into agreements with institutions of higher education under which the Commissioner will make grants to such institutions to assist in the operation of work-study programs as hereinafter provided.

"(b) For the purposes of this part—

Definitions.

"(1) The term 'institution of higher education' means an educational institution in any State which (A) admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such certificate, (B) is legally authorized within such State to provide a program of education beyond secondary education, (C) provides an educational program for which it awards a bachelor's degree or provides not less than a two-year program which is acceptable for full credit toward such a degree, (D) is a public or other nonprofit institution, and (E) is accredited by a nationally recognized accrediting agency or association approved by the Commissioner for this purpose or, if not so accredited, (i) is an institution with respect to which the Commissioner has determined that there is satisfactory assurance, considering the resources available to the institution, the period of time, if any, during which it has operated, the effort it is making to meet accreditation standards, and the purpose for which this determination is being made, that the institution will meet the accreditation standards of such an agency or association within a reasonable time, or (ii) is an institution whose credits are accepted on transfer by not less than three institutions which are so accredited, for credit on the same basis as if transferred from an institution so accredited. Such term also includes any public or other nonprofit collegiate or associate degree school of nursing and any school which provides not less than a one-year program of training to prepare students for gainful employment in a recognized occupation and which meets the provisions of clauses (A), (B), (D), and (E). If the Commissioner determines that a particular category of such schools does not meet the requirements of

clause (E) because there is no nationally recognized accrediting agency or association qualified to accredit schools in such category, he shall, pending the establishment of such an accrediting agency or association, appoint an advisory committee, composed of persons specially qualified to evaluate training provided by schools in such category, which shall (I) prescribe the standards of content, scope, and quality which must be met in order to qualify schools in such category to participate in the program pursuant to this part, and (II) determine whether particular schools not meeting the requirements of clause (E) meet those standards. For purposes of this subsection, the Commissioner shall publish a list of nationally recognized accrediting agencies or associations which he determines to be reliable authority as to the quality of training offered.

"(2) The term 'collegiate school of nursing' means a department, division, or other administrative unit in a college or university which provides primarily or exclusively an accredited program of education in professional nursing and allied subjects leading to the degree of bachelor of arts, bachelor of science, bachelor of nursing, or to an equivalent degree, or to a graduate degree in nursing.

"(3) The term 'associate degree school of nursing' means a department, division, or other administrative unit in a junior college, community college, college, or university which provides primarily or exclusively an accredited two-year program of education in professional nursing and allied subjects leading to an associate degree in nursing or to an equivalent degree.

"(4) The term 'accredited' when applied to any program of nurse education means a program accredited by a recognized body or bodies approved for such purpose by the Commissioner."

(4) By striking out section 124(a) and inserting in lieu thereof the following:

"(a) provide for the operation by the institution of a program for the part-time employment of its students in work for the institution itself or work in the public interest for a public or private nonprofit organization under an arrangement between the institution and such organization, and such work—

"(1) will not result in the displacement of employed workers or impair existing contracts for services,

"(2) will be governed by such conditions of employment as will be appropriate and reasonable in light of such factors as type of work performed, geographical region, and proficiency of the employee, and

"(3) does not involve the construction, operation, or maintenance of so much of any facility as is used or is to be used for sectarian instruction or as a place for religious worship;"

(5) By redesignating clauses (2), (3), and (4), of paragraph (c) of section 124 as clauses (1), (2), and (3), and by striking out so much of such paragraph as precedes such redesignated clauses and inserting in lieu thereof the following: "(c) provide that in the selection of students for employment under such work-study program preference shall be given to students from low-income families and that employment under such work-study program shall be furnished only to a student who";

(6) By inserting before the period at the end of section 125 a comma and the following: "and such share may be paid to such student in the form of services and equipment (including tuition, room, board, and books) furnished by such institution"; and

(7) By striking out "provided for in" in section 131 and inserting in lieu thereof "for which he is responsible under".

78 Stat. 514.
42 USC 2754.

42 USC 2755.

42 USC 2761.

APPROPRIATIONS AUTHORIZED

SEC. 442. There are authorized to be appropriated \$129,000,000 for the fiscal year ending June 30, 1966, \$165,000,000 for the fiscal year ending June 30, 1967, and \$200,000,000 for the fiscal year ending June 30, 1968, to carry out the purposes of part C of title I of the Economic Opportunity Act of 1964 (Public Law 88-452). Any sums which are appropriated for the fiscal year ending June 30, 1966, for the purpose of such part C pursuant to an authorization in the Economic Opportunity Act of 1964, or are allocated for such purpose from any appropriation for such year, shall be made available, to the extent unexpended on the date of enactment of this Act, to the Commissioner for carrying out such part C, and the total of such sums (including amounts expended prior to such date) shall be deducted from the authorization in this section for such year. Sixty million dollars of the authorization for title I of the Economic Opportunity Act of 1964 for the fiscal year ending June 30, 1966, as contained in section 131 of such Act, shall be only for the purpose of part C of such title. No provision in the Economic Opportunity Act of 1964 which authorizes the appropriation of funds to carry out that Act shall apply to such part C after June 30, 1966.

78 Stat. 513.

42 USC 2751-

2756.

42 USC 2761.

PART D—AMENDMENTS TO NATIONAL DEFENSE EDUCATION ACT OF 1958

DEFINITION OF INSTITUTION OF HIGHER EDUCATION

SEC. 461. Section 103(b) of the National Defense Education Act of 1958 is amended to read as follows:

72 Stat. 1582.

20 USC 403.

“(b) The term ‘institution of higher education’ means an educational institution in any State which (1) admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such certificate, (2) is legally authorized within such State to provide a program of education beyond secondary education, (3) provides an educational program for which it awards a bachelor’s degree or provides not less than a two-year program which is acceptable for full credit toward such a degree, (4) is a public or other nonprofit institution, and (5) is accredited by a nationally recognized accrediting agency or association approved by the Commissioner for this purpose or, if not so accredited, (A) is an institution with respect to which the Commissioner has determined that there is satisfactory assurance, considering the resources available to the institution, the period of time, if any, during which it has operated, the effort it is making to meet accreditation standards, and the purpose for which this determination is being made, that the institution will meet the accreditation standards of such an agency or association within a reasonable time, or (B) is an institution whose credits are accepted on transfer by not less than three institutions which are so accredited, for credit on the same basis as if transferred from an institution so accredited. For purposes of title II, such term includes any school of nursing as defined in subsection (1) of this section, and also includes any school which provides not less than a one-year program of training to prepare students for gainful employment in a recognized occupation and which meets the provisions of clauses (1), (2), (4), and (5). If the Commissioner determines that a particular category of such schools does not meet the requirements of clause (5) because there is no nationally recognized accrediting agency or association qualified to accredit schools in such category, he shall, pending the establishment of such an accrediting agency or association, appoint an advisory committee, composed of

20 USC 421-

429.

78 Stat. 1100.

persons specially qualified to evaluate training provided by schools in such category, which shall (i) prescribe the standards of content, scope, and quality which must be met in order to qualify schools in such category to participate in the student loan program under title II, and (ii) determine whether particular schools not meeting the requirements of clause (5) meet those standards. For purposes of this subsection, the Commissioner shall publish a list of nationally recognized accrediting agencies or associations which he determines to be reliable authority as to the quality of training offered."

CONDITIONS OF AGREEMENTS; ADMINISTRATIVE COSTS

SEC. 462. Clause (3) of section 204 of the National Defense Education Act of 1958 is amended to read as follows:

72 Stat. 1584.
20 USC 424.

"(3) provide that such student loan fund shall be used only for (A) loans to students in accordance with such agreement, (B) capital distributions as provided in this title, (C) routine expenses incurred by the institution in administering the student loan fund, except that the amount withdrawn from such student loan fund for such routine expenses by an institution in any fiscal year may not exceed either (i) one-half of such routine expenses as estimated for that year by the Commissioner with the advice of an advisory committee which the Commissioner is hereby authorized to appoint on an annual or such other basis as he may deem appropriate, or (ii) 1 per centum of the aggregate of the outstanding loans made from that fund as of the close of that year, whichever is the lesser, and (D) costs of litigation, and other collection costs agreed to by the Commissioner, arising in connection with the collection of any loan from the fund, interest on such loan, or charge assessed with respect to that loan pursuant to section 205(c);".

Post, p. 1254.

TECHNICAL AMENDMENT FOR PART-TIME STUDENTS

SEC. 463. (a) The portion of section 205(b)(2) of the National Defense Education Act of 1958 which precedes clause (A)(ii) thereof is amended to read as follows:

20 USC 425.

"(2) such a loan shall be evidenced by a note or other written agreement which provides for repayment of the principal amount, together with interest thereon, in equal installments (or, if the borrower so requests, in graduated periodic installments determined in accordance with such schedules as may be approved by the Commissioner) payable quarterly, bimonthly, or monthly (at the option of the institution) over a period beginning nine months after the date on which the borrower ceases to carry, at an institution of higher education or at a comparable institution outside the States approved for this purpose by the Commissioner, at least one-half the normal full-time academic workload as determined by that institution, and ending ten years and nine months after such date, except that (A) interest shall not accrue on any such loan, and installments need not be paid during any period (i) during which the borrower is carrying, at an institution of higher education or at a comparable institution outside the States approved for this purpose by the Commissioner, at least one-half the normal full-time academic workload as determined by the institution,".

78 Stat. 1102.

(b) Clause (D) of such section 205(b)(2) is amended by striking out "periodic", and by striking out "part-time" and inserting in lieu thereof "less than half-time".

(c) The amendments made by this section shall apply to a loan outstanding on the date of enactment of this Act only with the consent of the borrower and the institution which made the loan.

MINIMUM RATE OF REPAYMENT

SEC. 464. (a) Section 205(b) (2) of the National Defense Education Act of 1958 is further amended by striking out "and" before "(E)" and by inserting at the end thereof before the semicolon ", and (F) the institution may provide, in accordance with regulations of the Commissioner, that during the repayment period of the loan payments of principal and interest by the borrower with respect to all the outstanding loans made to him from loan funds established pursuant to this title shall be at a rate equal to not less than \$15 per month".

72 Stat. 1584.
20 USC 425.

(b) The amendment made by this section shall be applicable only with respect to loans made after the date of enactment of this Act.

CANCELLATION OF LOANS FOR TEACHERS

SEC. 465. (a) Section 205(b) (3) of the National Defense Education Act of 1958 is amended—

78 Stat. 1102.

(1) by inserting "total" before "amount" and by striking out "which was unpaid on the first day of such service";

(2) by inserting "or its equivalent (as determined under regulations of the Commissioner)" after "academic year"; and

(3) by inserting before the semicolon at the end thereof a comma and the following: "except that (A) such rate shall be 15 per centum for each complete academic year or its equivalent (as determined under regulations of the Commissioner) of service as a full-time teacher in a public or other nonprofit elementary or secondary school which is in the school district of a local educational agency which is eligible in such year for assistance pursuant to title II of Public Law 874, Eighty-first Congress, as amended, and which for purposes of this clause and for that year has been determined by the Commissioner, pursuant to regulations and after consultation with the State educational agency of the State in which the school is located, to be a school in which there is a high concentration of students from low-income families, except that the Commissioner shall not make such determination with respect to more than 25 per centum of the total of the public and other nonprofit elementary and secondary schools in any one State for any one year, and (B) for the purposes of any cancellation pursuant to clause (A), an additional 50 per centum of any such loan (plus interest) may be cancelled but nothing in this paragraph shall authorize refunding any payment".

Ante, p. 27.

(b) The amendments made by clauses (1) and (3) of subsection (a) shall apply with respect to service performed during academic years beginning after the date of enactment of this Act, whether the loan was made before or after such enactment. The amendment made by clause (2) of subsection (a) shall apply with respect to service performed during academic years beginning after the enactment of the National Defense Education Act Amendments, 1964, Public Law 88-665, whether or not the loan was made before or after such enactment.

78 Stat. 1100.
20 USC 401 note.

CHARGES

SEC. 466. (a) Section 205 of the National Defense Education Act of 1958 is further amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

"(c) Pursuant to regulations of the Commissioner, an institution may assess a charge with respect to a loan from the loan fund established by the institution pursuant to this title for failure of the borrower to pay all or any part of an installment when it is due and, in the case of a borrower who is entitled to deferment benefits under section 205(b)(2) or cancellation benefits under section 205(b)(3), for any failure to file timely and satisfactory evidence of such entitlement. The amount of any such charge may not exceed—

"(1) in the case of a loan which is repayable in monthly installments, \$1 for the first month or part of a month by which such installment or evidence is late and \$2 for each such month or part of a month thereafter; and

"(2) in the case of a loan which has a bimonthly or quarterly repayment interval, \$3 and \$6, respectively, for each such interval or part thereof by which such installment or evidence is late. The institution may elect to add the amount of any such charge to the principal amount of the loan as of the first day after the day on which such installment or evidence was due, or to make the amount of such charge payable to the institution not later than the due date of the next installment after receipt by the borrower of notice of the assessment of the charge."

(b) Clause (2) of section 204 of such Act is amended by striking out "and (D)" and inserting in lieu thereof "(D) charges collected pursuant to section 205(c), and (E)".

(c) The amendment made by subsection (a) shall be applicable only with respect to loans made after the date of enactment of this Act.

ECONOMICS, CIVICS, AND INDUSTRIAL ARTS

SEC. 467. (a)(1) Clauses (1) and (5) of section 303(a) of the National Defense Education Act of 1958 are each amended by inserting "economics," after "geography,".

(2) Section 301 of such Act is amended by striking out "and \$90,000,000 for the fiscal year ending June 30, 1965, and for each of the three succeeding fiscal years" and inserting in lieu thereof "\$90,000,000 for the fiscal year ending June 30, 1965, and \$100,000,000 for the fiscal year ending June 30, 1966, and for each of the two succeeding fiscal years".

(b) Section 1101 of such Act is amended—

(1) by striking out "each of the three succeeding fiscal years" and inserting in lieu thereof "\$50,000,000 for the fiscal year ending June 30, 1966, and for each of the two succeeding fiscal years"; and

(2) by inserting "economics, civics, industrial arts," after "geography,".

TITLE V—TEACHER PROGRAMS

PART A—GENERAL PROVISIONS

ADVISORY COUNCIL ON QUALITY TEACHER PREPARATION

SEC. 501. (a) The Commissioner shall establish in the Office of Education an Advisory Council on Quality Teacher Preparation for the purpose of reviewing the administration and operation of the programs carried out under this title and of all other Federal programs for complementary purposes. This review shall pay particular attention to the effectiveness of these programs in attracting, preparing, and retaining highly qualified elementary and secondary school teachers,

Ante, pp. 1252,
1253.

72 Stat. 1584.
20 USC 424.

78 Stat. 1103.
20 USC 443.
20 USC 441.

20 USC 591.

Establishment.

and it shall include recommendations for the improvement of these programs. The Council shall consist of the Commissioner, who shall be Chairman, and twelve members appointed for staggered terms and without regard to the civil service laws, by the Commissioner with the approval of the Secretary. Such twelve members shall include persons knowledgeable with respect to teacher preparation and the needs of urban and rural schools, and representatives of the general public.

(b) Members of such Advisory Council who are not regular full-time employees of the United States shall, while attending meetings or conferences of such Council or otherwise engaged on business of such Council, be entitled to receive compensation at a rate fixed by the Secretary, but not exceeding \$100 per diem, including travel time, and, while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b-2) for persons in the Government service employed intermittently.

Compensation.

(c) The Council may appoint an Executive Secretary and such other employees as the Council deems necessary to carry out its functions under this title.

60 Stat. 808;
75 Stat. 339,
340.

LIMITATION

SEC. 502. Nothing contained in this title shall be construed to authorize the making of any payment under this title for religious worship or instruction.

PART B—NATIONAL TEACHER CORPS

STATEMENT OF PURPOSE AND AUTHORIZATION OF APPROPRIATIONS

SEC. 511. (a) The purpose of this part is to strengthen the educational opportunities available to children in areas having concentrations of low-income families and to encourage colleges and universities to broaden their programs of teacher preparation by—

(1) attracting and training qualified teachers who will be made available to local educational agencies for teaching in such areas; and

(2) attracting and training inexperienced teacher-interns who will be made available for teaching and inservice training to local educational agencies in such areas in teams led by an experienced teacher.

(b) For the purpose of carrying out this part, there are authorized to be appropriated \$36,100,000 for the fiscal year ending June 30, 1966, and \$64,715,000 for the fiscal year ending June 30, 1967.

ESTABLISHMENT OF NATIONAL TEACHER CORPS

SEC. 512. In order to carry out the purposes of this part, there is hereby established in the Office of Education a National Teacher Corps (hereinafter referred to as the "Teacher Corps"). The Teacher Corps shall be headed by a Director who shall be compensated at the rate prescribed for grade 17 of the General Schedule of the Classification Act of 1949, and a Deputy Director who shall be compensated at the rate prescribed for grade 16 of such General Schedule. The Director and the Deputy Director shall perform such duties as are delegated to them by the Commissioner.

Establishment.

Ante, p. 1111.

TEACHER CORPS PROGRAM

SEC. 513. (a) For the purpose of carrying out this part, the Commissioner is authorized to—

(1) recruit, select, and enroll experienced teachers, and inexperienced teacher-interns who have a bachelor's degree or its equivalent, in the Teacher Corps for periods of up to two years;

(2) enter into arrangements, through grants or contracts, with institutions of higher education or State or local educational agencies to provide members of the Teacher Corps with such training as the Commissioner may deem appropriate to carry out the purposes of this part, including not more than three months of training for members before they undertake their teaching duties under this part;

(3) enter into arrangements (including the payment of the cost of such arrangements) with local educational agencies, after consultation in appropriate cases with State educational agencies and institutions of higher education, to furnish to local educational agencies, for service during regular or summer session or both, in the schools of such agencies in areas having concentrations of children from low-income families, either or both (A) experienced teachers, or (B) teaching teams, each of which shall consist of an experienced teacher and a number of teacher-interns who, in addition to teaching duties, shall be afforded time by the local educational agency for a teacher-intern training program developed according to criteria established by the Commissioner and carried out under the guidance of the experienced teacher in cooperation with an institution of higher education; and

(4) pay to local educational agencies the amount of the compensation which such agencies pay to or on behalf of members of the Teacher Corps assigned to them pursuant to arrangements made pursuant to the preceding clause.

(b) Arrangements with institutions of higher education to provide training for teacher-interns while teaching in schools for local educational agencies under the provisions of this part shall provide, wherever possible, for training leading to a graduate degree.

(c)(1) Whenever the Commissioner determines that the demand for the services of experienced teachers or of teaching teams furnished pursuant to clause (3) of subsection (a) exceeds the number of experienced teachers or teaching teams available from the Teacher Corps, the Commissioner shall, to the extent practicable, allocate experienced teachers or teaching teams, as the case may be, from the Teacher Corps among the States in accordance with paragraph (2).

(2) Not to exceed 2 per centum of such teachers or teams, as the case may be, shall be allocated to Puerto Rico, and the Virgin Islands according to their respective needs. The remainder of such teams or teachers, as the case may be, shall be allocated among the other States in proportion to the number of children counted in each State for the purpose of determining the amount of basic grants made under section 203 of title II of Public Law 874, Eighty-first Congress, as amended, for the fiscal year for which the allocation is made.

(d) A local educational agency may utilize members of the Teacher Corps assigned to it in providing, in the manner described in section 205(a)(2) of Public Law 874, Eighty-first Congress, as amended, educational services in which children enrolled in private elementary and secondary schools can participate.

COMPENSATION

SEC. 514. (a) An arrangement made with a local educational agency pursuant to paragraph (3) of section 513(a) shall provide for compensation by such agency of Teacher Corps members during the period of their assignment to it at the following rates:

(1) an experienced teacher who is not leading a teaching team shall be compensated at a rate which is equal to the rate paid by such agency for a teacher with similar training and experience who has been assigned similar teaching duties;

(2) an experienced teacher who is leading a teaching team shall be compensated at a rate agreed to by such agency and the Commissioner; and

(3) a teacher-intern shall be compensated at a rate which is equal to the lowest rate paid by such agency for teaching full time in the school system and grade to which the intern is assigned.

(b) For any period of training under this part the Commissioner shall pay to members of the Teacher Corps such stipends (including allowances for subsistence and other expenses for such members and their dependents) as he may determine to be consistent with prevailing practices under comparable federally supported training programs.

(c) The Commissioner shall pay the necessary travel expenses of members of the Teacher Corps and their dependents and necessary expenses for the transportation of the household goods and personal effects of such members and their dependents, and such other necessary expenses of members as are directly related to their service in the Corps, including readjustment allowances proportionate to service.

(d) The Commissioner is authorized to make such arrangements as may be possible, including the payment of any costs incident thereto, to protect the tenure, retirement rights, participation in a medical insurance program, and such other similar employee benefits as the Commissioner deems appropriate, of a member of the Teacher Corps who participates in any program under this part and who indicates his intention to return to the local educational agency or institution of higher education by which he was employed immediately prior to his service under this part.

APPLICATION OF PROVISIONS OF FEDERAL LAW

SEC. 515. (a) Except as otherwise specifically provided in this section, a member of the Teacher Corps shall be deemed not to be a Federal employee and shall not be subject to the provisions of laws relating to Federal employment, including those relating to hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits.

(b) (1) Such members shall, for the purposes of the administration of the Federal Employees' Compensation Act (5 U.S.C. 751 et seq.), be deemed to be civil employees of the United States within the meaning of the term "employee" as defined in section 40 of such Act (5 U.S.C. 790) and the provisions thereof shall apply except as hereinafter provided. 39 Stat. 742. 63 Stat. 860.

(2) For purposes of this subsection:

(A) the term "performance of duty" in the Federal Employees' Compensation Act shall not include any act of a member of the Teacher Corps—

(i) while on authorized leave; or

(ii) while absent from his assigned post of duty, except while participating in an activity authorized by or under the direction or supervision of the Commissioner; and

"Performance
of duty."

(B) in computing compensation benefits for disability or death under the Federal Employees' Compensation Act, the monthly pay of a member of the Teacher Corps shall be deemed to be his actual pay or that received under the entrance salary for grade 6 of the General Schedule of the Classification Act of 1949, whichever is greater.

(c) Such members shall be deemed to be employees of the Government for the purposes of the Federal tort claims provisions of title 28, United States Code.

LOCAL CONTROL PRESERVED

SEC. 516. Members of the Teacher Corps shall be under the direct supervision of the appropriate officials of the local educational agencies to which they are assigned. Except as otherwise provided in clause (3) of section 513(a), such agencies shall retain the authority to—

- (1) assign such members within their systems;
- (2) make transfers within their systems;
- (3) determine the subject matter to be taught;
- (4) determine the terms and continuance of the assignment of such members within their systems.

MAINTENANCE OF EFFORT

SEC. 517. No member of the Teacher Corps shall be furnished to any local educational agency under the provisions of this part if such agency will use such member to replace any teacher who is or would otherwise be employed by such agency.

PART C—FELLOWSHIPS FOR TEACHERS

STATEMENT OF PURPOSE

SEC. 521. The Congress hereby declares it to be the policy of the United States to improve the quality of education offered by the elementary and secondary schools of the Nation by improving the quality of the education of persons who are pursuing or who plan to pursue a career in elementary and secondary education. The purpose of this part is to carry out this policy by awarding fellowships for graduate study at institutions of higher education and by developing or strengthening teacher education programs in institutions of higher education. For the purpose of this part the term "career in elementary and secondary education" means a career of teaching in elementary or secondary schools, a career of teaching, guiding, or supervising such teachers or persons who plan to become such teachers, or a career in fields which are directly related to teaching in elementary or secondary schools, such as library science, school social work, guidance and counseling, educational media, and special education for handicapped children.

FELLOWSHIPS AUTHORIZED

SEC. 522. (a) The Commissioner is authorized to award not to exceed four thousand five hundred fellowships for the fiscal year ending June 30, 1966, ten thousand fellowships for the fiscal year ending June 30, 1967, and ten thousand fellowships for the fiscal year ending June 30, 1968. Fellowships awarded under the provisions of this part shall be for graduate study leading to an advanced degree other than a doctor of philosophy, or equivalent degree, for persons

39 Stat. 742;
63 Stat. 854.
5 USC 751 note.
Ante, p. 1111.

62 Stat. 982.
28 USC 2671-2680.

"Career in elementary and secondary education."

who are pursuing or plan to pursue a career in elementary and secondary education. Such fellowships shall be awarded as provided in sections 523 and 524 of this part and for such periods as the Commissioner may determine but not to exceed twenty-four months.

(b) In addition to the number of fellowships authorized to be awarded by subsection (a) of this section, the Commissioner is authorized to award fellowships equal to the number previously awarded during any fiscal year under this part but vacated prior to the end of the period for which they were awarded; except that each fellowship awarded under this subsection shall be for such period of study, not in excess of the remainder of the period for which the fellowship which it replaces was awarded, as the Commissioner may determine.

ALLOCATION OF FELLOWSHIPS

SEC. 523. The Commissioner shall allocate fellowships under this part to institutions of higher education with programs approved under the provisions of section 524(a) for the use of individuals accepted into such programs, in such manner and according to such plan as will most nearly—

(1) provide an equitable distribution of such fellowships throughout the States, except that to the extent he deems proper in the national interest after consultation with the Advisory Council on Quality Teacher Preparation the Commissioner may give preference to programs designed to meet an urgent national need, and

Ante, p. 1254.

(2) encourage experienced teachers in elementary or secondary schools and other experienced personnel in elementary or secondary education to enter graduate programs, attract recent college graduates to pursue a career in elementary and secondary education, and afford opportunities for college graduates engaged in other occupations or activities to pursue or return to a career in elementary and secondary education.

APPROVAL OF PROGRAMS; GRANTS

SEC. 524. (a) The Commissioner shall approve a graduate program of an institution of higher education only upon application by the institution and only upon his finding—

(1) that such program will substantially further the objective of improving the quality of education of persons who are pursuing or intend to pursue a career in elementary and secondary education,

(2) that such program gives emphasis to high-quality substantive courses,

(3) that such program is of high quality and either is in effect or readily attainable, and

(4) that only persons who demonstrate a serious intent to pursue or to continue a career in elementary and secondary education will be accepted for study in the program.

(b) For the purpose of obtaining an appropriate geographical distribution of high-quality programs for the training of personnel for elementary or secondary education, the Commissioner is authorized to make grants to and contracts with institutions of higher education to pay part of the cost of developing or strengthening graduate programs which meet the requirements of subsection (a).

Experts and consultants.

60 Stat. 810.

60 Stat. 808;
75 Stat. 339,
340.

(c) The Commissioner may employ experts and consultants, as authorized by section 15 of the Administrative Expenses Act of 1946 (5 U.S.C. 55a), to advise him with respect to the making of grants and contracts and the approving of programs under this section, and he shall set forth in regulations the standards and priorities which will be utilized in approving such grants and contracts. Experts and consultants employed pursuant to this subsection may be compensated while so employed at rates not in excess of \$100 per diem, including travel time, and may be allowed while away from their homes or regular places of business, travel expenses (including per diem in lieu of subsistence) as authorized by section 5 of such Act (5 U.S.C. 73b-2) for persons in the Government service employed intermittently.

STIPENDS

SEC. 525. (a) The Commissioner shall pay to persons awarded fellowships under this part such stipends (including such allowances for subsistence and other expenses for such persons and their dependent) as he may determine to be consistent with prevailing practices under comparable federally supported programs.

(b) In addition to the amounts paid to persons pursuant to subsection (a), the Commissioner shall pay to the institution of higher education at which such person is pursuing his course of study an amount equivalent to \$2,500 per academic year, less any amount charged such person for tuition and nonrefundable fees and deposits.

LIMITATION

SEC. 526. No fellowships shall be awarded under this part for study at a school or department of divinity. For the purposes of this section, the term "school or department of divinity" means an institution or department or branch of an institution whose program is specifically for the education of students to prepare them to become ministers of religion or to enter upon some other religious vocation or to prepare them to teach theological subjects.

"School or department of divinity."

FELLOWSHIP CONDITIONS

SEC. 527. A person awarded a fellowship under the provisions of this part shall continue to receive the payments provided in section 525(a) only during such periods as the Commissioner finds that he is maintaining satisfactory proficiency and devoting full time to study or research in the field in which such fellowship was awarded in an institution of higher education, and is not engaging in gainful employment other than such part-time employment in teaching, research, or similar activities related to his training as has been approved by the Commissioner.

APPROPRIATIONS

SEC. 528. There are hereby authorized to be appropriated to carry out this part \$40,000,000 for the fiscal year ending June 30, 1966, \$160,000,000 for the fiscal year ending June 30, 1967, \$275,000,000 for the fiscal year ending June 30, 1968, and such sums for the two succeeding fiscal years as may be necessary to enable persons who have been awarded fellowships prior to July 1, 1968, to complete their study under the fellowships.

TITLE VI—FINANCIAL ASSISTANCE FOR THE IMPROVEMENT OF UNDERGRADUATE INSTRUCTION

PART A—EQUIPMENT

STATEMENT OF PURPOSE AND AUTHORIZATION OF APPROPRIATIONS

SEC. 601. (a) The purpose of this part is to improve the quality of classroom instruction in selected subject areas in institutions of higher education.

(b) There are hereby authorized to be appropriated \$35,000,000 for the fiscal year ending June 30, 1966, \$50,000,000 for the fiscal year ending June 30, 1967, and \$60,000,000 for the fiscal year ending June 30, 1968, to enable the Commissioner to make grants to institutions of higher education pursuant to this part for the acquisition of equipment and for minor remodeling described in section 603(2)(A).

(c) There are also authorized to be appropriated \$2,500,000 for the fiscal year ending June 30, 1966, and \$10,000,000 for the fiscal year ending June 30, 1967, and for the succeeding fiscal year, to enable the Commissioner to make grants to institutions of higher education pursuant to this part for the acquisition of television equipment and for minor remodeling described in section 603(2)(B).

(d) There is also authorized to be appropriated a sum not exceeding \$1,000,000 for the fiscal year ending June 30, 1966, and for each of the two succeeding fiscal years, to enable the Commissioner to make grants in such amounts as he may consider necessary for the proper and efficient administration of the State plans approved under this part including expenses which he determines are necessary for the preparation of such plans.

(e) For the fiscal year ending June 30, 1969, and for the succeeding fiscal year, there may be appropriated for the purposes set forth in subsections (b), (c), and (d) of this section, only such sums as the Congress may hereafter authorize by law.

ALLOTMENTS TO STATES

SEC. 602. (a)(1) Of the funds appropriated pursuant to subsections (b) and (c) of section 601 for any fiscal year one-half shall be allotted by the Commissioner among the States so that the allotment to each State will be an amount which bears the same ratio to each one-half as the number of students enrolled in institutions of higher education in such State bears to the total number of students enrolled in such institutions in all the States; and the remaining one-half shall be allotted by him among the States in accordance with paragraph (2) of this subsection. For the purposes of this subsection, (A) the number of students enrolled in institutions of higher education shall be deemed to be equal to the sum of (i) the number of full-time students and (ii) the full-time equivalent of the number of part-time students as determined by the Commissioner in accordance with regulations; and (B) determinations as to enrollment shall be made by the Commissioner on the basis of data for the most recent year for which satisfactory data with respect to such enrollment are available to him.

(2) For the purposes of this paragraph the Commissioner shall allot to each State for each fiscal year an amount which bears the same ratio to the funds being allotted pursuant to this paragraph as the product of—

(A) the number of students enrolled in institutions of higher education in such State, and

(B) the State's allotment ratio, bears to the sum of the corresponding products for all the States. For the purposes of this paragraph the allotment ratio for any State shall be 1.00 less the product of (i) 0.50 and (ii) the quotient obtained by dividing the income per person for the State by the income per person for all the States (not including Puerto Rico, the Virgin Islands, American Samoa, and Guam), except that the allotment ratio shall in no case be less than $0.33\frac{1}{3}$ or more than $0.66\frac{2}{3}$, and the allotment ratio for Puerto Rico, the Virgin Islands, American Samoa, and Guam shall be $0.66\frac{2}{3}$. The allotment ratios shall be promulgated by the Commissioner as soon as possible after enactment of this Act, and annually thereafter, on the basis of the average of the incomes per person of the States and of all the States for the three most recent consecutive calendar years for which satisfactory data are available from the Department of Commerce.

(b) (1) A State's allotment under subsection (a) from funds appropriated pursuant to section 601(b) shall be available in accordance with the provisions of this part for payment of the Federal share (as determined under section 604) of the cost of equipment and minor remodeling described in section 603(2) (A).

(2) A State's allotment under subsection (a) from funds appropriated pursuant to section 601(c) shall be available in accordance with the provisions of this part for payment of the Federal share (as determined under section 604) of the cost of television equipment and minor remodeling described in section 603(2) (B).

(c) Sums allotted to a State for the fiscal year ending June 30, 1966, shall remain available for reservation as provided in section 606 until the close of the next fiscal year, in addition to the sums allotted to such State for such next fiscal year. Sums allotted to a State for the fiscal year ending June 30, 1967, or for any succeeding fiscal year, which are not reserved as provided in section 606 by the close of the fiscal year for which they are allotted, shall be reallocated by the Commissioner, on the basis of such factors as he determines to be equitable and reasonable, among the States which, as determined by the Commissioner, are able to use without delay any amounts so reallocated. Amounts reallocated under this subsection shall be available for reservation until the close of the fiscal year next succeeding the fiscal year for which they were originally allotted.

STATE COMMISSIONS AND PLANS

SEC. 603. Any State desiring to participate in the program under this part shall designate for that purpose an existing State agency which is broadly representative of the public and of institutions of higher education in the State, or, if no such State agency exists, shall establish such a State agency, and submit to the Commissioner through the agency so designated or established (hereafter in this part referred to as the "State commission"), a State plan for such participation. The Commissioner shall approve any such plan which—

(1) provides that it shall be administered by the State commission;

(2) sets forth, consistently with basic criteria prescribed by regulation pursuant to section 604, objective standards and methods (A) for determining the relative priorities of eligible projects for the acquisition of laboratory and other special equipment (other than supplies consumed in use), including audio-

visual materials and equipment for classrooms or audiovisual centers, and printed and published materials (other than textbooks) for classrooms or libraries, suitable for use in providing education in science, mathematics, foreign languages, history, geography, government, English, other humanities, the arts, or education at the undergraduate level in institutions of higher education, and minor remodeling of classroom or other space used for such materials or equipment; (B) for determining relative priorities of eligible projects for (i) the acquisition of television equipment for closed-circuit direct instruction in such fields in such institutions (including equipment for fixed-service instructional television, as defined by the Federal Communications Commission, but not including broadcast transmission equipment), (ii) the acquisition of necessary instructional materials for use in such television instruction, and (iii) minor remodeling necessary for such television equipment; and (C) for determining the Federal share of the cost of each such project;

(3) provides (A) for assigning priorities solely on the basis of such criteria, standards, and methods to eligible projects submitted to the State commission and deemed by it to be otherwise approvable under the provisions of this part; and (B) for approving and recommending to the Commissioner, in the order of such priority, applications covering such eligible projects, and for certifying to the Commissioner the Federal share, determined by the State commission under the State plan, of the cost of the project involved;

(4) provides for affording to every applicant, which has submitted to the State commission a project, an opportunity for a fair hearing before the commission as to the priority assigned to such project or as to any other determination of the commission adversely affecting such applicant; and

(5) provides (A) for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the State commission under this part, and (B) for the making of such reports, in such form and containing such information, as may be reasonably necessary to enable the Commissioner to perform his functions under this part.

BASIC CRITERIA FOR DETERMINING PRIORITIES, FEDERAL SHARE, AND MAINTENANCE OF EFFORT

SEC. 604. (a) As soon as practicable after the enactment of this Act the Commissioner shall by regulation prescribe basic criteria to which the provisions of State plans setting forth standards and methods for determining relative priorities of eligible projects, and the application of such standards and methods to such projects under such plans, shall be subject. Such basic criteria (1) shall be such as will best tend to achieve the objectives of this part while leaving opportunity and flexibility for the development of State plan standards and methods that will best accommodate the varied needs of institutions in the several States, and (2) shall give special consideration to the financial need of the institution. Subject to the foregoing requirements, such regulations may establish additional and appropriate basic criteria, including provision for considering the degree to which applicant institutions are effectively utilizing existing facilities and equipment, provision for allowing State plans to group or provide for grouping, in a reasonable manner, facilities or institutions according to functional or educational type for priority purposes, and, in view of the national objectives of this Act, provision for considering the degree to which

the institution serves students from two or more States or from outside the United States; and in no event shall an institution's readiness to admit such out-of-State students be considered as a priority factor adverse to such institution.

Federal share.

(b) The Federal share for the purposes of this part shall not exceed 50 per centum of the cost of the project, except that a State commission may increase such share to not to exceed 80 per centum of such cost in the case of any institution proving insufficient resources to participate in the program under this part and inability to acquire such resources. An institution of higher education shall be eligible for a grant for a project pursuant to this part in any fiscal year only if such institution will expend during such year for the same purposes as, but not pursuant to, this part an amount at least equal to the amount expended by such institution for such purposes during the previous fiscal year. The Commissioner shall establish basic criteria for making determinations under this subsection.

APPLICATIONS FOR GRANTS AND CONDITIONS FOR APPROVAL

SEC. 605. (a) Institutions of higher education which desire to obtain grants under this part shall submit applications therefor at such time or times and in such manner as may be prescribed by the Commissioner, and such applications shall contain such information as may be required by or pursuant to regulation for the purpose of enabling the Commissioner to make the determinations required to be made by him under this part.

(b) The Commissioner shall approve an application covering a project under this part and meeting the requirements prescribed pursuant to subsection (a) if—

(1) the project has been approved and recommended by the appropriate State commission;

(2) the State commission has certified to the Commissioner, in accordance with the State plan, the Federal share of the cost of the project, and sufficient funds to pay such Federal share are available from the applicable allotment of the State (including any applicable reallocation to the State);

(3) the project has, pursuant to the State plan, been assigned a priority that is higher than that of all other projects within such State (chargeable to the same allotment) which meet all the requirements of this section (other than this clause) and for which Federal funds have not yet been reserved;

(4) the Commissioner determines that the project will be undertaken in an economical manner and will not be overly elaborate or extravagant; and

(5) the Commissioner determines that the application contains or is supported by satisfactory assurances—

(A) that Federal funds received by the applicant will be used solely for defraying the cost of the project covered by such application,

(B) that sufficient funds will be available to meet the non-Federal portion of such cost and to provide for the effective use of the equipment upon completion, and

(C) that the institution will meet the maintenance of effort requirement in section 604(b).

(b) Amendments of applications shall, except as the Commissioner may otherwise provide by or pursuant to regulation, be subject to approval in the same manner as original applications.

AMOUNT OF GRANT—PAYMENT

SEC. 606. Upon his approval of any application for a grant under this part, the Commissioner shall reserve from the applicable allotment (including any applicable reallotment) available therefor, the amount of such grant, which (subject to the limits of such allotment or reallotment) shall be equal to the Federal share of the cost of the project covered by such application. The Commissioner shall pay such reserved amount, in advance or by way of reimbursement, and in such installments as he may determine. The Commissioner's reservation of any amount under this section may be amended by him, either upon approval of an amendment of the application covering such project or upon revision of the estimated cost of a project with respect to which such reservation was made, and in the event of an upward revision of such estimated cost approved by him he may reserve the Federal share of the added cost only from the applicable allotment (or reallotment) available at the time of such approval.

ADMINISTRATION OF STATE PLANS

SEC. 607. (a) The Commissioner shall not finally disapprove any State plan submitted under this part, or any modification thereof, without first affording the State commission submitting the plan reasonable notice and opportunity for a hearing. Hearing opportunity.

(b) Whenever the Commissioner, after reasonable notice and opportunity for hearing to the State commission administering a State plan approved under this part, finds—

(1) that the State plan has been so changed that it no longer complies with the provisions of section 603, or

(2) that in the administration of the plan there is a failure to comply substantially with any such provision, the Commissioner shall notify such State commission that the State will not be regarded as eligible to participate in the program under this part until he is satisfied that there is no longer any such failure to comply.

JUDICIAL REVIEW

SEC. 608. (a) If any State is dissatisfied with the Commissioner's final action with respect to the approval of its State plan submitted under this part or with his final action under section 607, such State may appeal to the United States court of appeals for the circuit in which such State is located. The summons and notice of appeal may be served at any place in the United States. The Commissioner shall forthwith certify and file in the court the transcript of the proceedings and the record on which he based his action.

(b) The findings of fact by the Commissioner, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Commissioner to take further evidence, and the Commissioner may thereupon make new or modified findings of fact and may modify his previous action, and shall certify to the court the transcript and record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

(c) The court shall have jurisdiction to affirm the action of the Commissioner or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in title 28, United States Code, section 1254.

LIMITATION ON PAYMENTS

SEC. 609. No grant may be made under this part for equipment or materials to be used for sectarian instruction or religious worship, or primarily in connection with any part of the program of a school or department of divinity. For purposes of this section the term "school or department of divinity" means an institution or a department or branch of an institution whose program is specifically for the education of students to prepare them to become ministers of religion or to enter upon some other religious vocation, or to prepare them to teach theological subjects.

"School or department of divinity."

PART B—FACULTY DEVELOPMENT PROGRAMS

INSTITUTES AUTHORIZED

SEC. 621. (a) There are authorized to be appropriated \$5,000,000 for the fiscal year ending June 30, 1966, and for each of the two succeeding fiscal years, to enable the Commissioner to arrange, through grants or contracts, with institutions of higher education for the operation by them of short-term workshops or short-term or regular-session institutes for individuals (1) who are engaged in, or preparing to engage in, the use of educational media equipment in teaching in institutions of higher education, or (2) who are, or are preparing to be, in institutions of higher education, specialists in educational media or librarians or other specialists using such media.

(b) For the fiscal year ending June 30, 1969, and for the succeeding fiscal year, there may be appropriated for the purposes of this part, only such sums as the Congress may hereafter authorize by law.

STIPENDS

SEC. 622. Each individual who attends an institute operated under the provisions of this part shall be eligible (after application therefor) to receive a stipend at the rate of \$75 per week for the period of his attendance at such institute and each such individual with one or more dependents shall receive an additional stipend at the rate of \$15 per week for each dependent. No stipends shall be paid for attendance at workshops.

TITLE VII—AMENDMENTS TO HIGHER EDUCATION FACILITIES ACT OF 1963

EXPANSION OF GRANT PURPOSES

SEC. 701. (a) Section 106 of the Higher Education Facilities Act of 1963 is amended to read as follows:

77 Stat. 368.
20 USC 716.

"ELIGIBILITY FOR GRANTS

"SEC. 106. An institution of higher education shall be eligible for a grant for construction of an academic facility under this title only if such construction will, either alone or together with other construction to be undertaken within a reasonable time, (1) result in an urgently needed substantial expansion of the institution's student enrollment capacity or capacity to carry out extension and continuing education programs on the campus of such institution, or (2) in the case of a new institution of higher education, result in creating urgently needed enrollment capacity or capacity to carry out extension and continuing education programs on the campus of such institution."

(b) The first sentence of section 101(b) of the Higher Education Facilities Act of 1963 is amended by striking out "and each of the two succeeding fiscal years" and inserting in lieu thereof "and for the succeeding fiscal year, and the sum of \$460,000,000 for the fiscal year ending June 30, 1966". 77 Stat. 364.
20 USC 711.

(c) The second sentence of section 201 of such Act is amended by striking out "and the sum of \$60,000,000 each for the fiscal year ending June 30, 1965, and the succeeding fiscal year" and inserting in lieu thereof "the sum of \$60,000,000 for the fiscal year ending June 30, 1965, and the sum of \$120,000,000 for the fiscal year ending June 30, 1966". 20 USC 731.

TECHNICAL AMENDMENTS

MAKING SECTION 103 ALLOTMENTS AVAILABLE FOR SECTION 104 INSTITUTIONS UNDER CERTAIN CIRCUMSTANCES

SEC. 702. (a) (1) Section 103(b) of the Higher Education Facilities Act of 1963 is amended by inserting "(1)" immediately after "(b)" in such section and by adding at the end thereof: 20 USC 713.

"(2) Notwithstanding any other provisions of this title, any portion of a State's allotment under this section for a fiscal year for which applications from an institution qualified to receive grants under this section have not been received by the State Commission by January 1 of such fiscal year, shall, if the Commission so requests, be available, in accordance with the provisions of this title, for payment of the Federal share (as determined under sections 108(b) (3) and 401(d)) of the development cost of approved projects for the construction of academic facilities within such State for institutions of higher education other than public community colleges and public technical institutes." 20 USC 718,
Post, p. 1268.

(2) The first sentence of section 103(c) is amended by striking out "for providing academic facilities for public community colleges or public technical institutes" and inserting in lieu thereof "for the purposes set forth in subsection (b) of this section".

(3) Section 105(a) is amended by striking out "hereinafter" in the matter preceding clause (1). 20 USC 715.

(4) Clause (3) of section 105(a) is amended by inserting "(except as provided in section 103(b) (2))" after "section 103 will be available".

MAKING SECTION 104 ALLOTMENTS AVAILABLE FOR SECTION 103 INSTITUTIONS UNDER CERTAIN CIRCUMSTANCES

(b) (1) Section 104(b) of the Higher Education Facilities Act of 1963 is amended by inserting "(1)" immediately after "(b)" in such section and by adding at the end thereof: 20 USC 714.

"(2) Notwithstanding any other provisions of this title, any portion of a State's allotment under this section for a fiscal year for which applications from an institution qualified to receive grants under this section have not been received by the State Commission by January 1 of such fiscal year, shall, if the Commission so requests, be available, in accordance with the provisions of this title, for payment of the Federal share (as determined under sections 108(b) (3) and 401(d)) of the development cost of approved projects for the construction of academic facilities within such State for public community colleges and public technical institutes."

(2) The first sentence of section 104(c) is amended by striking out "for providing academic facilities for institutions of higher education other than public community colleges and public technical institutes"

and inserting in lieu thereof "for the purposes set forth in subsection (b) of this section".

77 Stat. 367.
20 USC 715.
Ante, p. 1267.

(3) Clause (3) of section 105(a) is amended by inserting "(except as provided in section 104(b)(2))" after "section 104 will be available".

REVISING FEDERAL SHARE FOR PUBLIC COMMUNITY COLLEGES AND PUBLIC TECHNICAL INSTITUTES

(c) (1) Section 105(a) (2) of the Higher Education Facilities Act of 1963 is amended by striking out "other than a project for a public community college or public technical institute".

20 USC 717.

(2) Section 107(b) of such Act is amended (1) by striking out "other than a project for a public community college or public technical institute", and (2) by striking out "shall be 40 per centum" and inserting in lieu thereof "shall in no event exceed 40 per centum".

20 USC 751.

(3) Section 401(d) of such Act is amended by inserting immediately before "40 per centum" the following: "a percentage (as determined under the applicable State plan) not in excess of".

THREE-YEAR AVAILABILITY OF SUMS APPROPRIATED UNDER SECTION 201

20 USC 731.

(d) The last sentence of section 201 of the Higher Education Facilities Act of 1963 is amended to read as follows: Sums appropriated pursuant to this section for any fiscal year shall remain available for grants under this title until the end of the second succeeding fiscal year.

TWO-YEAR AVAILABILITY OF TITLE III FUNDS

20 USC 743.

(e) Section 303(c) of the Higher Education Facilities Act of 1963 is amended by adding at the end the following new sentence: "Sums appropriated pursuant to this subsection for any fiscal year shall remain available for loans under this title until the end of the next succeeding fiscal year."

COORDINATION WITH PART A (GRANTS FOR EXPANSION AND IMPROVEMENT OF NURSE TRAINING) OF TITLE VIII OF THE PUBLIC HEALTH SERVICE ACT

(f) Effective with respect to applications for grants and loans submitted after the date of enactment of this Act, clause (E) of section 401(a) (2) of the Higher Education Facilities Act of 1963 is amended to read as follows: "(E) any facility used or to be used by a school of medicine, school of dentistry, school of osteopathy, school of pharmacy, school of optometry, school of podiatry, or school of public health as these terms are defined in section 724 of the Public Health Service Act, or a school of nursing as defined in section 843 of that Act."

77 Stat. 169;
78 Stat. 918.
42 USC 293d, 298b.

CHANGE IN INTEREST RATE FOR TITLE III LOANS

SEC. 703. (a) Subsection (b) of section 303 of the Higher Education Facilities Act of 1963 is amended by inserting "(1)" after "shall bear interest at", and by inserting before the period at the end thereof a comma and the following: "or (2) the rate of 3 per centum per annum, whichever is the lesser".

(b) The amendment made by this section shall be applicable only with respect to loans made after the date of enactment of this Act.

TITLE VIII—GENERAL PROVISIONS

DEFINITIONS

SEC. 801. As used in this Act—

(a) The term "institution of higher education" means an educational institution in any State which (1) admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such a certificate, (2) is legally authorized within such State to provide a program of education beyond secondary education, (3) provides an educational program for which it awards a bachelor's degree or provides not less than a two-year program which is acceptable for full credit toward such a degree, (4) is a public or other nonprofit institution, and (5) is accredited by a nationally recognized accrediting agency or association or, if not so accredited, is an institution whose credits are accepted, on transfer, by not less than three institutions which are so accredited, or credit on the same basis as if transferred from an institution so accredited. Such term also includes any business school or technical institution which meets the provisions of clauses (1), (2), (4), and (5). For purposes of this subsection, the Commissioner shall publish a list of nationally recognized accrediting agencies or associations which he determines to be reliable authority as to the quality of training offered.

(b) The term "State" includes, in addition to the several States of the Union, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, and the Virgin Islands.

(c) The term "nonprofit" as applied to a school, agency, organization, or institution means a school, agency, organization, or institution owned and operated by one or more nonprofit corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

(d) The term "secondary school" means a school which provides secondary education as determined under State law except that it does not include any education provided beyond grade 12.

(e) The term "Secretary" means the Secretary of Health, Education, and Welfare.

(f) The term "Commissioner" means the Commissioner of Education.

(g) The term "local educational agency" means a public board of education or other public authority legally constituted within a State for either administrative control or direction of, or to perform a service function for, public elementary or secondary schools in a city, county, township, school district, or other political subdivision of a State, or such combination of school districts or counties as are recognized in a State as an administrative agency for its public elementary or secondary schools. Such term also includes any other public institution or agency having administrative control and direction of a public elementary or secondary school.

(h) The term "State educational agency" means the State board of education or other agency or officer primarily responsible for the State supervision of public elementary and secondary schools, or, if there is no such officer or agency, an officer or agency designated by the Governor or by State law.

(i) The term "elementary school" means a school which provides elementary education including education below grade 1, as determined under State law.

METHOD OF PAYMENT

SEC. 802. Payments under this Act to any individual or to any State or Federal agency, institution of higher education, or any other organization, pursuant to a grant, loan, or contract, may be made in installments, and in advance or by way of reimbursement, and, in the case of grants or loans, with necessary adjustments on account of overpayments or underpayments.

FEDERAL ADMINISTRATION

SEC. 803. (a) The Commissioner is authorized to delegate any of his functions under this Act, except the making of regulations, to any officer or employee of the Office of Education.

(b) In administering the provisions of this Act, the Commissioner is authorized to utilize the services and facilities of any agency of the Federal Government and of any other public or nonprofit agency or institution, in accordance with agreements between the Secretary and the head thereof.

FEDERAL CONTROL OF EDUCATION PROHIBITED

SEC. 804. (a) Nothing contained in this Act shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution, or over the selection of library resources by any educational institution.

(b) Nothing contained in this Act or any other Act shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the membership practices or internal operations of any fraternal organization, fraternity, sorority, private club or religious organization at an institution of higher education (other than a service academy or the Coast Guard Academy) which is financed exclusively by funds derived from private sources and whose facilities are not owned by such institution.

Approved November 8, 1965.

LEGISLATIVE HISTORY:

HOUSE REPORTS: No. 621 (Comm. on Education & Labor) and No. 1178 (Comm. of Conference).

SENATE REPORT No. 673 (Comm. on Labor & Public Welfare).

CONGRESSIONAL RECORD, Vol. 111 (1965):

Aug. 26: Considered and passed House.

Sept. 1: Considered in Senate.

Sept. 2: Considered and passed Senate, amended.

Oct. 20: House and Senate agreed to conference report.

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